

# Index Sheet

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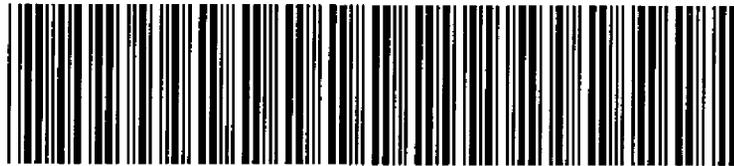
School Year: 2013

ACN:

PRCN: 201320528207

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April 1, 2013

David Gleason  
President  
Ohio Business College  
6690 Germantown Road  
Middletown, OH 45042

Certified Mail  
Return Receipt Requested  
Domestic Return Receipt  
7012 1640 0000 0567 6340

RE: Expedited Final Program Review Determination Letter  
OPE ID: 02158500  
PRCN: 2013-2-05-28207

Dear Mr. Gleason:

From February 11 through February 15, 2013, Mr. Nicholas Koulermos and Mr. Mark Holland conducted a review of Ohio Business College's (OBC) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine OBC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of OBC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 31 files was identified for review from the 2011-2012 and 2012-2013 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning OBC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve OBC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

The Chicago/Denver School Participation Division has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

**Federal Student Aid**  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Chicago/Denver School Participation Division  
500 W. Madison, Chicago, IL 60661  
StudentAid.gov

## **Program Findings and Final Program Review Determinations:**

### **Finding 1: Return to Title IV Calculation Error**

**Citation:** 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations require that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance (not including Federal Work-Study or the non-Federal share of FSEOG awards if an institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned as of the student's withdrawal date in accordance with paragraph (e) of this section. If the total amount of Title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs in accordance with paragraphs (g) and (h) of this section in the order specified in paragraph (i) of this section; and no additional disbursements may be made to the student for the payment period or period of enrollment.

**Institutional Action Taken to Resolve Noncompliance:** OBC performed a Return to Title IV calculation (R2T4) for student #4; however the wrong start/end dates were used in the calculation due to a clerical error. When the R2T4 calculation was performed, the institution used the dates of 09/26/11-12/15/11; however the student was actually enrolled in the IT Web Design Program, which had dates of 10/03/11-12/16/11. As a result of the incorrect start/end dates used, the institution owed the Department an additional \$156.00 in Unsubsidized Loan Funds. On 02/13/13 during the week of the program review, OBC returned the \$156.00 to the Department and provided all necessary documentation to the reviewers verifying the return. All liabilities have been repaid and resolved at this time.

**Final Program Review Determination:** OBC has taken the corrective actions necessary to resolve this finding. After review of multiple withdrawn students that had Return to Title IV calculations, the Department has determined this to be an isolated incident. The late return of funds did not result in any questioned cost for the institution. OBC's failure to correctly perform a correct Return to Title IV calculation may have permitted the institution to retain funds to which it was not entitled. OBC is liable to the Department for the cost of funds and interest on any improperly retained funds. Since the *cost of funds* for the calculation error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount. OBC is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, HEA funds. The institution is directed to review the above-cited regulations to ensure strict compliance with the requirements thereof. OBC is required to implement procedures or enhance current procedures in accordance with the reviewer's recommendation to bring the institution into compliance with federal regulations to ensure that this finding does not recur.

## **Finding 2: Satisfactory Academic Progress Policy Not Adequately Developed**

**Citation:** 34 C.F.R. § 668.32(f) of the Student Assistance General Provisions regulations states that a student is eligible to receive Title IV, HEA program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress.

34 C.F.R. § 668.16(e) of the Student Assistance General Provisions regulations requires an institution to establish, publish and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program.

**Institutional Action Taken to Resolve Noncompliance:** During the review, the institution was advised that numerous elements of their Standards for Satisfactory Academic Policy (SAP) needed to be edited, reworded, or clarified. Sections of their catalog that needed to be edited included, but were not limited to; appeals process/change of major students, Business Program attendance measurements, and probation status verbiage. Since the review, the institution has sent the Department their newly updated catalog, which addresses each area of SAP policy that required guidance. The Department has determined that their new policies are within compliance of Federal regulations. Therefore, the finding is considered closed.

**Final Program Review Determination:** OBC has taken the corrective actions necessary to resolve this finding. The institution is directed to review the above-cited regulations to ensure strict compliance with the requirements thereof. OBC is required to implement procedures or enhance current procedures in accordance with the reviewer's recommendation to bring the institution into compliance with federal regulations to ensure that this finding does not recur.

## **Finding 3: Return to Title IV Policy Not Adequately Developed**

**Citation:** 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations require that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance (not including Federal Work-Study or the non-Federal share of FSEOG awards if an institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned as of the student's withdrawal date in accordance with paragraph (e) of this section. If the total amount of Title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs in accordance with paragraphs (g) and (h) of this section in the order specified in paragraph (i) of this section; and no additional disbursements may be made to the student for the payment period or period of enrollment.

**Institutional Action Taken to Resolve Noncompliance:** During the review, the institution was advised that their catalog's Return to Title IV (R2T4) policy was insufficient. While the institution's internal R2T4 policy accurately reflected Federal regulations, what was provided to students in their catalog did not. The institution was advised to update their catalog and have

their R2T4 policy printed in full within the Financial Aid section of the material. The institution was also advised to use an 11 week timeframe calculation for their Externship Program, as the term is shorter than the normal term timeframe. Since the time of the review, the institution has made the appropriate R2T4 policy adjustments in their catalog and to their Externship Program. OBC provided copies of the newly updated catalog, which appropriately addressed each area of noncompliance. The Department has determined that their new policies are within compliance of Federal regulations. Therefore, the finding is considered closed.

**Final Program Review Determination:** OBC has taken the corrective actions necessary to resolve this finding. The institution is directed to review the above-cited regulations to ensure strict compliance with the requirements thereof. OBC is required to implement procedures or enhance current procedures in accordance with the reviewer's recommendation to bring the institution into compliance with federal regulations to ensure that this finding does not recur.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Mr. Nicholas Koulermos at (312) 730-1693.

Sincerely,

(b)(6)

Douglas Parrott  
Director

cc: Eric Roller, Financial Aid Director  
Accrediting Council for Independent Colleges and Schools  
Ohio State Board of Career Colleges and Schools

**Appendix A: Student Sample**

2011-12

	Last Name	First Name	SS#
1	(b)(6); (b)(7)(C)		
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