



April 19, 2013

Mr. Walter R. Garrison
President
Pennsylvania Institute of Technology
800 Manchester Avenue
Media, PA 19063-4098

UPS Tracking Number
1Z A54 67Y 01 9320 6759

RE: Final Program Review Determination
OPE ID: 01099800
PRCN: 201140327696

Dear Mr. Garrison:

The U.S. Department of Education's (Department's) School Participation Division - Philadelphia issued a program review report on July 24, 2012 covering Pennsylvania Institute of Technology's (PIT's) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. PIT's final response was received on December 14, 2012. A copy of the program review report (and related attachments) and PIT's responses are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by PIT upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to close the review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. The appendix was encrypted and sent separately to the institution via e-mail.

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)(1), (e)(2), and (e)(3).

Federal Student
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division - Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511, Philadelphia, PA 19107
www.StudentAid.gov

Pennsylvania Institute of Technology

OPE ID Number: 0109980

PRCN Number: 201.140327696

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The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Ms. Deborah Marsh at (215) 656-8640. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

A large rectangular area of the document is redacted with a solid black fill. The redaction covers the signature and name of the sender.

Director – ~~School Participation~~ Division (Philadelphia)

Enclosure: Protection of Personally Identifiable Information

cc: Kristina M. Fripps, Financial Aid Administrator
Middle States Commission on Higher Education
Pennsylvania Department of Education

Prepared for

Pennsylvania Institute of
Technology



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OPE ID: 01099800
PRCN: 201140327696

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division - Philadelphia

Final Program Review Determination
April 19, 2013

U.S. Department of Education
The School Participation Division - Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511
Philadelphia, Pa 19107
www.StudentAid.gov

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A. Institutional Information

Pennsylvania Institute of Technology
800 Manchester Avenue
Media, PA 19063-4098

Type: Private, Non-Profit

Highest Level of Offering: Associate's Degree

Accrediting Agency: Middle States Commission on Higher Education

Current Student Enrollment: 1689 (2010-2011 award year)

% of Students Receiving Title IV, HEA funds: 83.62% (2011-2012 award year)

Title IV, HEA Program Participation for 2010-2011:

Title IV Program	Award Amount
William D. Ford Federal Direct Loan (Direct Loan) Program	\$ 6,389,858
Federal Family Educational Loan Program (FFELP)	\$ 141,904
Federal Pell Grant Program	\$ 4,529,519
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 122,893
Federal Work-Study Program (FWS)	\$ 87,583

Default Rate FFEL/Direct Loan	2009 CDR	11.2 %
	2008 CDR	4.1 %
	2007 CDR	4.8 %

This institution does not administer a Federal Perkins Loan Program.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Pennsylvania Institute of Technology (PIT) from September 28, 2011 to September 30, 2011. The review was conducted by Ms. Nancy Della Vecchia and Ms. Deborah Marsh.

The focus of the review was to determine PIT's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of PIT'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 2010-2011 and 2011-2012 (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. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on July 24, 2012.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning PIT'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 PIT of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

Finding(s): 1 & 2, 5 - 7, and 9 & 10

PIT has taken the corrective actions necessary to resolve findings 1 & 2, 5 - 7, and 9 & 10 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by PIT are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of PIT's response to the finding and the Department's final determination for that finding. A copy of the program review report, which was issued on July 24, 2012, is attached as Appendix B.

Finding #3: Late/Inaccurate Return of Title IV Funds (R2T4)

Citation Summary: *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 that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a).*

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. 34 C.F.R. § 668.22(j)(1).

Noncompliance Summary: PIT failed to return unearned Title IV funds for students # 1, 3, 13, and 29, within the 45-day timeframe allowed by regulation. The following chart provides additional details.

Student No.	Last Date of Attendance	Date of Determination	Return Due Date	Date PIT Made Return	Number Days Late	Amount of Return	Title IV Program
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$1,117.00	DL Unsub
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$ 2,239.00	DL Sub
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$ 613.00	Pell Grant
3	2/13/2011	2/22/2011	4/9/2011	4/27/2011	19	\$ 1,742.00	DL Sub
3	2/13/2011	2/22/2011	4/9/2011	4/27/2011	19	\$ 2,985.00	DL Unsub
13	10/18/10	11/10/10	12/25/11	1/3/2011	10	\$ 938.70	Pell Grant
29	08/5/2011	08/16/11	10/01/11	10/3/2011	2	\$ 1,742.00	DL Sub
29	08/5/2011	08/16/11	10/01/11	10/3/2011	2	\$ 1,921.00	DL Unsub
29	08/5/2011	08/16/11	10/01/11	10/3/2011	2	\$1,164.24	Pell Grant

For student #12, the student enrolled for a term that began on 8/10/2010 and ended on 12/16/2010. There were three module periods within this term. According to the institutional records, the student withdrew effective for 11/16/2010, and the student received passing grades for courses during this period of enrollment. The institution was not required to complete a return calculation because the student completed one or more modules within the term, and the student received at least one passing grade for the module. The institution provided a statement indicating that the student received passing grades for the first and second module but withdrew on 11/16/2010 from the third module, which began on 11/3/2010 and ended on 12/16/2010. The institution completed a return calculation and returned Pell Grant funds of \$1,517.

PIT's failure to return unearned Title IV funds to the appropriate programs in a timely manner causes increased interest expense for both the U.S. Department of Education and the student.

Required Action Summary:

The Department required PIT to conduct a file review of all students who received Title IV funds and withdrew during the 2010-2011 and 2011-2012 award years. The Department required PIT to submit the results of the file review in both hard copy and an electronic format as well as copies of each student's account ledger card and a copy of the original, if applicable, revised Return of Title IV calculation worksheet. Finally, the Department required PIT to review its policies and procedures and to submit any revisions it made to those policies.

PIT's Response: In its initial response from PIT dated September 14, 2012, (Appendix C), the institution concurred with the finding for student #1, but disputed the finding for the remaining students. PIT asserted that an error rate of one student did not warrant a full file review by the institution and asked that the Department waive that requirement.

¹ The institution subsequently returned Pell Grant funds of \$1,610.76 for Student #29. According to the return calculation completed for student #29, the student was eligible for the Pell Grant funds of \$1,610.75 that were returned.

On November 13, 2012, the Department informed PIT that it did not submit sufficient documentation in its September 14, 2012 response to demonstrate that only one return was made late. Specifically, PIT provided no documentation to show that funds were returned timely for students # 3, 13, and 29. The Department required PIT to complete the file review for this finding as instructed in the program review report dated July 24, 2012. (See Appendix D).

PIT responded to the Department on December 13, 2012. In this response, PIT provided documentation that did demonstrate that it made the required returns for students # 3, 12, & 13 within the 45 day timeframe. PIT stated that it regretted not providing this documentation sooner and renewed its request that the Department waive the file review requirement. (See appendix E).

PIT also stated that it revised its policies and procedures to ensure that a return calculation will be completed for students who withdraw and that funds will be returned timely to the students and/or the Department.

Final Determination: Because PIT's December 13, 2012 response provided sufficient information for the Department to assess its compliance with the return of Title IV funds requirements, the Department will not require PIT to complete a file review for this finding. However, the Department's review of the documentation did indicate that PIT failed to return funds timely for students # 1 and 29.

The chart below indicates the amount of Title IV funds that were not returned timely for Students #1 and 29.

Student No.	Last Date of Attendance	Date of Determination	Return Due Date	Date PIT Made Return	Number Days Late	Amount of Return	Title IV Program
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$1,117.00	DL Unsub
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$ 2,239.00	DL Sub
1	11/18/2010	11/18/10	01/02/11	02/08/11	38	\$ 613.00	Pell Grant
29	08/5/2011	08/16/11	10/01/11	10/3/2011	2	\$ 1,742.00	DL Sub
29	08/5/2011	08/16/11	10/01/11	10/3/2011	2	\$ 1,921.00	DL Unsub

The Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury, and the Department must pay interest charges on those funds. The Department has determined the cost to the government for the improperly disbursed federal grant and loan funds for this finding. These costs are minimal (less than \$1,000). Therefore, a receivable is not being established with the Department's Accounts Receivable Group.

Finding # 4: Verification Incomplete

Citation Summary: *An institution that participates in the Title IV programs is required to accurately and completely verify certain data elements for applications that have been "selected" by the Central Processing System (CPS). 34 C.F.R. § 668.54(a)(1). Data elements are verified by securing additional documentation or, in some cases, a signed statement attesting to the accuracy of the information provided. Participating institutions must require applicants selected for verification to provide acceptable documentation that will verify or update the information used to calculate the applicant's Estimated Family Contribution (EFC).*

An applicant selected for verification must submit acceptable documentation that will verify or update the information used to determine the applicant's EFC. The documentation to be verified

includes: (a) Adjusted gross income and U.S. income tax paid; (b) Number of family members in household; (c) Number of family household members enrolled in postsecondary institutions; and (d) Untaxed income and benefits. The verification documentation must be secured and retained in the student's file. 34 C.F.R. § 668.56(a).

An institution shall require an applicant selected for verification to verify adjusted gross income and U.S. income tax paid by submitting, if relevant, a copy of the income tax return of the applicant, his or her spouse, and his or her parents. The copy of the return must be signed by the filer of the return or by one of the filers of a joint return. 34 C.F.R. § 668.57(a)(1).

An institution may accept, in lieu of a copy of an income tax return signed by the filer of the return or one of the filers of a joint return, a copy of the filer's return that has been signed by the preparer of the return or stamped with the name and address of the preparer of the return. 34 C.F.R. § 668.57(a)(7). The tax return must have the tax preparer's stamped, typed, signed, or printed name (not the name of the company) and social security number (SSN), employer identification number (EIN), or preparer tax identification number (PTIN). The 2009-2010 Federal Student Aid Handbook, Application and Verification Guide, Chapter 4, Page AVG-90.

Noncompliance Summary: *PIT did not complete the verification process for students # 8, 11, 13, 27, and 28.*

Student # 8's 2010-2011 Independent Verification Worksheet indicated a total of six individuals in the student's household. The student's 2010-2011 ISIR reported seven individuals in the student's household. The number of individuals in the student's household was not properly verified on the student's 2010-2011 ISIR.

Student # 11's Dependent Verification Worksheet indicated that two students from the parent's household were in college. The student's 2010-2011 ISIR reported one student from the parent's household was in college. The number of students in college was not properly verified on the student's 2010-2011 ISIR.

Student # 13's 2010-2011 Dependent Verification Worksheet indicated a total of two individuals were included in the parent's household. The student's 2010-2011 ISIR reported three individuals were in the parent's household. The number of individuals in the parent's household was not properly verified on the student's 2010-2011 ISIR.

Student # 27's 2010 tax return reported taxes paid of \$154. The student's 2011-2012 ISIR indicated taxes paid of \$0. The student's taxes paid amount was not properly verified on the student's 2010-2011 ISIR.

Student # 28's 2010 tax return indicated an Education credit of \$453. The student's 2011-2012 ISIR indicated an Education credit of \$0. The Education credit amount was not properly verified on the student's 2010-2011 ISIR.

The failure of an institution to complete verification may result in the improper disbursements of Title IV funds.

Required Action Summary:

The Department required PIT to provide a 2010-2011 need analysis for students # 8, 11, 13, 27 and 28. The Department required PIT to complete the 2011-2012 verification process and resolve discrepancies for students #27 and 28.

The Department required PIT to conduct a file review for all students who received Title IV funds and who were selected for verification for the 2011-2012 award year. The Department required PIT to submit the results of the file review in both hard copy and an electronic format as well copies of each student's original and corrected ISIR, if applicable, for all students indicated on the spreadsheet for both award years. Finally, the Department required PIT to review its policies and procedures and to submit any revisions it made to those policies.

PIT's Response: In its response dated September 14, 2012, PIT concurred that verification was not properly completed for student # 27. Further, PIT provided documents it asserted confirmed that verification was properly completed for students # 11 and 28. PIT asserted that an error rate of one student did not warrant a full file review by the institution and asked that the Department waive that requirement.

On November 13, 2012, the Department informed PIT that it did not submit sufficient documentation in its September 14, 2012 response to demonstrate that verification was completed accurately for students # 8 and 13. The Department accepted the documentation to show that verification was completed correctly for students #11 and 28. The Department instructed PIT to complete the file review for this finding as instructed in the program review report.

PIT responded to the Department on December 13, 2012. In this response, PIT provided an EFC recalculation and a copy of the updated need analysis for students # 8 and 13. The need analysis results for students # 8 and 13 indicated no EFC change. PIT stated that it regretted not providing this documentation sooner and renewed its request that the Department waive the file review requirement.

Final Determination: Because PIT's December 13, 2012 response provided sufficient information for the Department to assess its compliance with the verification requirements, the Department will not require PIT to complete a file review for this finding. However, the Department's review of the documentation did indicate that PIT failed to complete verification accurately for students # 8, 13, and 27.

The Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department has determined the cost to the government for the improperly disbursement of federal grant and loan funds for this finding. The costs are minimal (less than \$1,000). Therefore, a receivable is not being established with the Department's Accounts Receivable Group.

Finding # 8: Failure to Adjust Pell Grant for Enrollment Status

Citation Summary: *Federal Pell Grant awards are based on the Expected Family Contribution (EFC) on the student's Institutional Student Information Record (ISIR) or Student aid Report (SAR), the student's enrollment status, the academic year structure, and the student's cost of attendance (COA). 34 C.F.R. § 690.63. The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules which are published by the Secretary for each award year. 34 C.F.R. § 690.62(a).*

If the student's enrollment status changes from one academic term to another term within the same award year, the institution must recalculate the student's Federal Pell Grant award for the new payment period taking into account any changes in the COA. If a student's projected enrollment status changes during a payment period before the student begins attendance in all of

his or her classes for that payment period, the institution must recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance in during the payment period. 34 C.F.R. § 690.80(b).

Noncompliance Summary: *PIT failed to properly award Federal Pell Grant funds based on the enrollment status for Students # 4, 11, 18, and 30.*

PIT disbursed a Federal Pell Grant of \$1,110 on 6/17/2011 and \$2,775 on 7/29/2011 to the ledger for student # 4. Student # 4 was enrolled for a three credit hour externship course for the term that started on 1/1/2011 and ended on 12/31/2011. This was a less than half-time enrollment status. The proper Federal Pell Grant award for this enrollment status was \$694.

PIT disbursed a Federal Pell Grant of \$2,775 on 3/15/2011 to the ledger for student # 11. Student # 11 was enrolled for eight credit hours for the term that started on 2/7/2011 and ended on 5/19/2011. This was a half-time enrollment status. The proper Federal Pell Grant award for this enrollment status was \$1,388.

PIT disbursed a Federal Pell Grant of \$2,775 on 8/11/2011 to the ledger for student # 18. This amount represented a Pell Grant disbursement based on the full-time enrollment of a student. Student # 18 was enrolled for 11 credit hours for the term that started on 7/25/2011 and ended on 10/31/2011. This was a three-quarter-time enrollment status. The proper Federal Pell Grant award for this enrollment status was \$2,082.

PIT disbursed a Federal Pell Grant of \$2,775 on 8/10/2011 to the ledger for Student # 30. This amount represented a Pell Grant disbursement based on the full-time enrollment of a student. Student # 30 was enrolled for 11 credit hours for the term that started on 7/25/2011 and ended on 10/31/2011. This was a three quarter time enrollment status. The proper Federal Pell Grant award for this enrollment status was \$2,082.

An institution that awards Title IV funds in excess of the student's eligibility causes an increased expense for the Department.

Required Action Summary: *The Department required PIT to provide a copy of the ledger account for students #4, #11, #18 and #30 with the response to the program review report.*

The Department required PIT to review its policies and procedures to ensure that the institution will disburse federal Title IV funds accurately and timely to eligible students and to submit any revisions to its policies and procedures with its response to the program review report.

PIT's Response: *PIT responded to the Department on September 14, 2012. PIT provided documentation and information to confirm that the correct Federal Pell Grant amount was awarded to student # 4 for the 2010-2011 award year. The institution concurred with this finding for students # 11, 18, and 30, and PIT returned Federal Pell Grant funds to the Department.*

On September 14, 2012, PIT noted that its policies and procedures were revised to ensure that Federal Pell Grant funds will be adjusted based on the student's enrollment status and changes to the student's cost of attendance.

Final Determination: *The Department reviewed PIT's responses and found that the institution failed to award Federal Pell Grant funds properly to students # 11, 18 and 30. However, PIT provided documentation that the funds disbursed to these students have been returned to the Federal Pell Grant program.*

The Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department has determined the cost to the government for the improper disbursement of federal grant funds for this finding. The costs are minimal (less than \$1,000). Therefore, a receivable is not being established with the Department's Accounts Receivable Group.

Finding #7 – Loan Amount Exceeds Annual Loan Limit

Student File Cited: #7

We agree with the Program Review (PRR) findings for student #7.

Student #7 - The student was packaged for \$4,625 in Subsidized Direct Loan funding. The student was eligible for \$3,500 in the Subsidized Direct Loan funding and should have been packaged for \$1,125 in Unsubsidized loan funding.

Corrective Action Taken:

- The student award has been reallocated between Subsidized and Unsubsidized funding to limit the Subsidized portion to the maximum amount allowed. Documentation can be found in Attachment B.

- We have enhanced our policies and procedures for applying Loan Limits to make the maximum amounts more explicit. Moreover, we have, subsequent to the award years covered by the Program Review, implemented CampusVue auto-packaging capabilities. The packaging parameters effectively preclude exceeding the maximums allowed on both an annual and aggregate basis. The new policies and procedures are provided in Attachment C.

- We have met with each of our Financial Aid counselors, reviewed the PRR findings with them and ensured they were knowledgeable about our current and revised procedures.

Finding #8 – Failure to Adjust PELL Grant for Enrollment Status

Student Files Cited: #4, 11, 18 and 30

We agree with the Program Review (PRR) findings for students #11, 18 and 30.

Student #11 - PIT disbursed a Federal PELL Grant of \$2,775 on 3/15/11 to the ledger for student #11. Student #11 was enrolled for eight credit hours for the term that started on 2/7/11 and ended on 5/19/11. This was half-time enrollment status. The proper Federal PELL Grant award for this enrollment status was \$1,388.

Corrective Action Taken:

- We have returned the Pell Grant of \$1,387 based upon enrollment of 8 credit hours. The ledger card showing the return is included in Attachment B.
- We have elaborated upon our policies and procedures for adjusting Pell Grants for enrollment status (and Cost of Attendance) changes to be consistent with federal regulations. These revisions can be reviewed in Attachment C.
- We have met with each of our Financial Aid counselors, reviewed the PRR findings with them and ensured they were knowledgeable about our current and revised procedures.

Student #18 - PIT disbursed a Federal PELL Grant of \$2,775 on 8/11/11 to the ledger for student #18. This amount represented a PELL Grant disbursement based on the full-time enrollment of a student. Student #18 was enrolled for 11 credit hours for the term that started on 7/25/11 and ended on 10/31/11. This was a three-quarter-time enrollment status. The proper Federal PELL Grant award for this enrollment status was \$2,082.

Corrective Action Taken:

- We have returned the Pell Grant funds of \$693 (\$2,775 - \$2,082) based upon enrollment of 11 credit hours. The ledger card showing the return is included in Attachment B.
- We have elaborated upon our policies and procedures for adjusting Pell Grants for enrollment status (and Cost of Attendance) changes to be consistent with federal regulations. These revisions can be reviewed in Attachment C.
- We have met with each of our Financial Aid counselors, reviewed the PRR findings with them and ensured they were knowledgeable about our current and revised procedures.

Student #30 - PIT disbursed a Federal PELL Grant of \$2,775 on 8/10/11 to the ledger for student #30. This amount represented a PELL Grant disbursement based on the full-time enrollment of a student. Student #30 was enrolled for 11 credit hours for the term that started on 7/25/11 and ended on 10/31/11. This was a three quarter time enrollment status. The proper Federal PELL Grant award for this enrollment status was \$2,082.

Corrective Action Taken:

- We have returned the Pell Grant funds of \$693 (\$2,775 - \$2,082) based upon enrollment of 11 credit hours. The ledger card showing the return is included in Attachment B.
- We have elaborated upon our policies and procedures for adjusting Pell Grants for enrollment status (and Cost of Attendance) changes to be consistent with federal regulations. These revisions can be reviewed in Attachment C.
- We have met with each of our Financial Aid counselors, reviewed the PRR findings with them and ensured they were knowledgeable about our current and revised procedures.

After careful review of the remaining student file cited in Finding #8, including review of electronic records and other documentation, we continue to support our initial handling of the students, and do not believe further corrective action is needed. We have provided supporting documentation for our determination in Attachment B to this letter.

Student #4 -- PIT disbursed a Federal PELL Grant of \$1,110 on 6/17/11 and \$2,775 on 7/29/11 to the ledger for student #4. Student #4 was enrolled for a six credit hour externship course for the term that started on 1/1/11 and ended on 12/31/11. This was a half-time enrollment status and the proper Federal PELL Grant award amounts were applied.

Additional Documentation Provided in Attachment B: Student #4 degree audit and ledger card are attached.

Finding #9 – Improper Loan Award

Student File Cited: #15

We agree with the Program Review (PRR) findings for student #15.

Student #15 - PIT awarded and disbursed an Unsubsidized Direct Loan to Student #15 before determining, offering, and awarding the student a Subsidized Direct Loan. For the 2010-2011 award year, the student was a first-time loan borrower, and according to NSLDS, the student had no prior loan history. The 2010-2011 Institution Student Information Record (ISIR) indicated a zero expected family contribution (EFC). The student had remaining need eligibility that would have allowed the institution to award the student a Subsidized Direct Loan.

Student #15 ISIR 01 was received on 9/8/10 and the student's EFC was \$20,732, which meant that the student was not eligible for the Subsidized loan. The ISIR 02 was received on 4/4/11 and the EFC was changed to \$0. At that time the Subsidized loan was not reallocated. We agree with the finding that we must reclassify the Unsubsidized Direct Loan to a Subsidized Direct Loan for student #15

Corrective Action Taken:

- The student award has been reallocated between Subsidized and Unsubsidized funding to award the entire amount as a Subsidized loan. Documentation can be found in Attachment B.
- We have enhanced our policies and procedures for applying Loan Limits to make the maximum amounts more explicit. Moreover, we have, subsequent to the award years covered by the Program Review, implemented CampusVue auto-packaging capabilities. The packaging parameters effectively preclude exceeding the maximums allowed on both an annual and aggregate basis. The new policies and procedures are provided in Attachment C.
- Moreover, we have strengthened our procedures for monitoring the receipt of revised ISIRs subsequent to awarding, so that repackaging as necessary will be routine. These procedures are documented in Attachment C as well.

Finding #10 – Loan 30-Day Delay Not Met for First-Time Loan Borrower

Student File Cited: #29

We agree with the Program Review (PRR) findings for student #29.

Student #29 - PIT did not delay the first time installment of a federal student loan for Student #29 as was required.

Corrective Action Taken:

- We have enhanced our policies and procedures for Subsidized and Unsubsidized Loan awards to emphasize the need to delay disbursements to first-time borrowers for 30 days beyond the beginning of their initial enrollment period. The statement to this effect can be found in Attachment C.

Appendix D:
The Department's response to PIT dated November 13, 2012



November 13, 2012

Mr. Walter R. Garrison
President
Pennsylvania Institute of Technology
800 Manchester Avenue
Media, PA 19063-4098

Sent Via E-Mail and UPS
Tracking Number
1ZA5467Y0194357193

Re: Program Review Response
OPEID: 01099800
PRCN: 201140327696

Dear Mr. Garrison:

The Philadelphia School Participation Division (SPD) received Pennsylvania Institute of Technology's (PIT's) response to the U.S. Department of Education's (the Department's) July 2012 program review report. In the program review response, Pennsylvania Institute of Technology (PIT) requested a waiver for the requirement to conduct file review for Finding # 3 (Late/Inaccurate Return of Title IV Funds) and Finding # 4 (Verification Incomplete).

PIT's request for a waiver of the file review requirement for Finding #3 was based on the institution's conclusion that "only 1 of the 31 files should be an issue with the late return of Title IV funds and no files showed an issue with inaccurate returns."

The information PIT provided in response to the report does not support its conclusion. Specifically, PIT did not provide sufficient documentation to demonstrate the returns of funds for students #3, 13, and 29. For each of these students, PIT provided only a copy of the ledger card and a list of student refunds. With this information, the Department is not able to make a determination as to the actual date the funds were returned. PIT must complete the file review as specified within the July 24, 2012 program review report. PIT must submit this file review to the Department no later than January 4, 2013. In addition, PIT must provide documentation showing the returns of funds for students # 3, 13, and 29.

PIT's request for a waiver of the file review requirement for Finding #4 was based on the institution's conclusion that "only 1 of 31 files showed an issue with verification."

The information PIT provided in response to the program review report does not support its conclusion. First, PIT concurred with the Department that verification was not properly completed for student #27. Second, PIT provided no documentation to show that verification was completed for student #8. Finally, for student #13, PIT stated that although the ISIR and the Verification Worksheet indicate different numbers in the household size, the Verification

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Worksheet, which was signed by the student, was incorrect. PIT provided no information as to how it made that determination, nor any documentation to support it. PIT must complete the file review as specified in the July 24, 2012 program review report. PIT must submit this file review to the Department no later than January 4, 2013. In addition, PIT must provide documentation for students #8 and 13.

Lastly, in the program review response for Finding # 8, PIT failed to provide documentation showing the return of funds for students # 11, 18, and 30. PIT must provide supporting documentation to show that Title IV funds were returned to the Department for these students.

The institution's response should be sent to Ms. Deborah Marsh of this office no later than January 4, 2013.

To protect personal identifiable information (PII), please review the enclosed information for instructions regarding submission to the Department of required data and documents that contain PII.

As a reminder, an institution that participates in any Title IV, HEA program is required to cooperate with the Secretary and the Secretary's representatives in the conduct of a program review. 34 C.F.R. § 668.24(f)(1).

If you have any additional questions, please contact Ms. Deborah Marsh at (215) 656-8640 or deborah.marsh@pa.gov.

Sincerely,

(b)(6)

Deborah Marsh
Institutional Review Specialist

cc: Kristina M. Fripps, Financial Aid Director

Enclosure: Protection of Personally Identifiable Information

Protection of Personally Identifiable Information

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required at delivery
- double packaged in packaging approved by the shipping agent (FedEx, UPS, USPS)
- labeled with both the "To" and "From" addresses on both inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.