(b)(6); (b)(7(C)

November 21, 2013

Eliseo Justiniani
Progressive Training Centers
98 E. McNab Road, Suite 98
Pompano Beach, FL 33060

UPS Next Day Tracking #:
1ZA879640192323875

RE: Final Program Review Determination
OPE ID: 041768-00
PRCN: 2012-4-04-28063

Dear President Justiniani:

The U.S. Department of Education's (Department's) Atlanta School Participation Division issued a program review report on February 19, 2013 covering Progressive Training Center's (PTC'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. PTC's final response was received on July 12. 2013. A copy of the program review report (and related attachments) and PTC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by PTC 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: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) close the review.

The total liabilities due from the institution from this program review are $34,220. This final program review determination contains detailed information about the liability determination for all findings.

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 **does** not contain any student PII. Appendix A contains PII. Appendix **A is** encrypted and will be sent separately to the institution via e-mail upon request.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the February 19, 2013 program review report. If PTC wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date PTC receives this FPRD. An original and four copies of the information PTC submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

PTC's appeal request must:

(1) indicate the findings, issues and facts being disputed;
(2) state the institution's position, together with pertinent facts and reasons supporting its position;
(3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
(4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to PTC's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

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).

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 Toyoko Woodard at (404) 974-9448. 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); (b)(7(C)

Charles Engstrom
Division Director

cc: Nancy Liriano, Financial Aid Administrator
Council on Occupational Education
FL Commission for Independent Education - Florida Department of Education

Prepared for

Progressive Training Centers

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
PROUD SPONSOR of the AMERICAN MIND™

OPE ID: 041768-00
PRCN: 2012-4-28063

Prepared by
Toyoko Woodard
U.S. Department of Education
Federal Student Aid
Atlanta School Participation Division

Final Program Review Determination
November 21, 2013

U.S. Department of Education
Atlanta School Participation Division
61 Forsyth Street, SW Suite 18T40 Atlanta, GA 30303
StudentAid.gov.

Table of Contents

A. Institutional Information

Progressive Training Centers
98 East McNab Road
Suite 98
Pompano Beach, FL 33060-9238

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 54 (2012-2013)

% of Students Receiving Title IV: 57% (2012-2013)

Title IV Participation Postsecondary Education Participants System (PEPS):

Title IV Programs	2011-2012
Federal Pell Grant (PELL)	$ 172,996
William D. Ford Federal Direct Loan Program (Direct Loan) (DL)	$ 289,997

Default Rate FFEL/DL: *New institution, no rates available.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Progressive Training Centers (PTC) from September 24, 2012 to September 28, 2012. The review was conducted by Toyoko Woodard and Robert Scott.

The focus of the review was to determine PTC'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 PTC'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 30 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 partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning PTC'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 PTC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs. A program review report was issued on February 19, 2013.

C. Findings and Final Determinations

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by PTC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Resolved Findings

Findings 4-7, 9-12 and 14-17

PTC has taken the corrective actions necessary to resolve findings 4-7, 9-12 and 14-17 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by PTC 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 PTC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on February 19, 2013 is attached as Appendix B.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

Finding 1: Verification Discrepancies

Citation Summary:

34 C.F.R. § 668.54 states, an institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary to verify all of the applicable items specified in 34 C.F.R. § 668.56.

The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. An institution must establish procedures to request, receive and verify applicant data for each award year. Institutions are also responsible for resolving conflicting information related to a student's application for Title IV aid. There are five required data elements that must be verified. These five items are:

- *Household size (HHS)*
- *Number enrolled in college;*
- *Adjusted Gross Income (AGI);*
- *U.S. income tax paid; and,*
- *Other untaxed income and benefits*

34 C.F.R. § 668.54(a)(2)(i) of the General Provisions regulation states that an institution must verify all applications CPS selects for verification. However, there is a limit on the number of applications an institution is required to verify. Participating institutions do not have to verify more than 30% of the total number of Title IV applicants at the institution, unless it chooses to do so. If the total number of selected applications is less than 30% of the institution's total number of applications for federal student aid, the institution must verify all selected applications.

In general, your school must have correct data before it can pay the student. If your school has conflicting information concerning a student's eligibility or you have any reason to believe a student's application information is incorrect, you must resolve the discrepancies before disbursing Title IV funds. If you discover discrepancies after disbursing Title IV funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Noncompliance Summary:

Progressive Training Centers did not accurately complete verification for the following students:

Student #22: This student received $158 in Pell Funds and $2,692 in Direct Loan funds.

Student #23: This student received $1,702 in Pell funds and $2,601 in Direct Loan funds.

Student #28: This student received $1,850 in Pell funds and $1.826 in Direct Loan funds.

These students were all selected for verification however all three students had untaxed income from the "making work pay" tax credit that was not reflected on their ISIR. The untaxed income reported on the ISIRs conflicts with the students' taxes therefore verification is not considered to be complete.

Required Action Summary:

Due to the closed award year, the institution had to make the appropriate verification corrections for students #22, 23 and 28. The institution had to then determine if those corrections would have constituted a change to the students EFC and/or award amounts. Your response to this finding should provide copies of the verification documentation to support the institutions corrections and corrected data elements. The institution was also required to explain corrective actions the institution will take to complete verification and resolve applicant discrepancies in the future in its response to this report.

PTC's Response:

In its response, (Appendix C), PTC concurred with this finding and recommendation. PTC recalculated the EFCs for the applicable students in this finding. As a result, the EFC remained the same for Students #23 and #28. For Student #22 the EFC increased after the recalculation making the student ineligible for the Pell Grant funds that were disbursed.

Final Determination:

It has been determined that Student #22 is not eligible for the Pell Grant funds that were disbursed on June 4, 2012 for $158. PTC must return $158 to the Department for the ineligible disbursement. Please refer to Section D regarding liability information and Section E for repayment instructions.

Finding 2: Credit Balance Made Late/Not Made

Citation Summary:

A Federal Student Aid (FSA) credit balance occurs whenever your school credits FSA program funds to a student's account and the total amount of those funds exceeds the student's allowable charges. An institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than: See 34 C.F.R. § 668.164(e)

1. *14 days after the credit balance occurred if the credit balance occurred after the first day of class of a payment period; or*
2. *No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.*

Similarly, a school is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent in the case of PLUS). If an institution has the authorization to hold credit balances, it must identify the amount of funds that it holds for the student or parent in a subsidiary ledger account designated for that purpose. Institutions must maintain at all times cash in its bank account at least equal to the amount it holds for students. See 34 C.F.R. § 668.165(b).

Because FSA funds are awarded to students to pay current year charges, notwithstanding any authorization from the student or parent, Institution's must pay:

1. *Any remaining balance of FSA funds by the end of the loan period, and*
2. *Any other remaining FSA program funds by the end of the last payment period in the award period in the award year for which they were awarded.*

Noncompliance Summary:

The student account ledgers of 4 students indicated that they had late or unpaid credit balances. There were no indications that the students signed forms allowing their credit balances to be held by the school.
The credit balances are as follows:

Student #3: *This student had Pell disbursed on 4/24/2012 in the amount of $1,850 and a tuition balance of $1,348 leaving a remaining credit of $502 on the student's account ledger. The student's academic record indicates the student graduated 4/20/2012 however this student still has the remaining $502 credit on their account ledger and no records that a credit balance check was issued to this student for this amount. This is an unpaid credit balance.*

Student #12: *This student had $1,990 in an unsubsidized loan disbursed to his account on 7/29/11 that created a credit balance of $1,380.75 that was paid to the student on 8/15/11. The credit balance was paid to this student beyond the 14 day requirement, as result this credit balance is considered to be paid late.*

Student #26: *This student had $871 in a subsidized loan and $1,493 in an unsubsidized loan disbursed to this account on 10/18/11 that created a $1,620.75 credit balance. However, $1,052 of the credit balance was paid to the student on 11/1/11 but the remaining amount of $568.75 was not paid until 11/9/11. The credit balance for this student was paid beyond the 14 day requirement, as result this credit balance was made late.*

Student #26: *This student had $971 in a unsubsidized loan disbursed to her account on 5/22/12 creating a $32 credit balance. The credit balance was not paid until 6/8/12. The credit balance for this student was paid beyond the 14 day requirement, as result this credit balance was made late.*

Required Action Summary:

PTC had to make an attempt to provide Student #3 their credit balance check in the amount of $502 and provide a copy of the cancelled check once this has been completed and/or provide supporting documentation that the attempt was made and unsuccessful with their response to this finding.

In addition, PTC's response had to provide a description of the steps that will be taken to prevent a repeat finding in the future.

PTC's Response:

In its response, (Appendix C), PTC concurred with this finding and recommendation. PTC reissued the credit balance check to Student #3 on March 22, 2013 and provided supporting documentation to the Department that it was subsequently cashed by the student. Furthermore, PTC conducted a file review for all Title IV recipients where it was determined that two additional students not included in the statistical sample had credit balance checks that had not been cashed that need to be returned to the Department. As a result, PTC has revised their credit balance policies and procedures and no longer holds credit balances for any Title IV recipients.

Final Determination:

PTC made an attempt but was unable to locate two students with outstanding credit balance checks that had not been cashed. As a result, PTC must return $2,538 to the Direct Loan program. In addition, PTC must notify both students in writing regarding payments made on their behalf. This notification must include the reason, amount and date of payments. Please refer to Section D regarding liability information and Section E for repayment instructions.

Finding 3: Invalid and/or Lack of GED/High School Diploma

Citation Summary:

34 C.F.R. § 668.32, Student Assistance General Provisions advises a student is eligible to receive Title IV funds if the student is a regularly enrolled student or one who is accepted for enrollment in an eligible program at an eligible institution. Among other criteria, the student must have a high school diploma or its recognized equivalent or have a passing score on a specified, Department approved, independently administered test in accordance with subpart J of Section 668.32.

The Department recognizes several equivalents to a high school diploma:

1. *A General Equivalency Diploma (GED);*
2. *A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;*
3. *An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or*
4. *For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school; must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.*

The 2011-2012 Federal Student Aid Handbook, Volume 1, Page 1-10, further discusses high school equivalency requirements and specifically in the sidebar notation, Page 6, states the, "College Diploma Mill Definition" as being an entity that:

- *Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and*

- *Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.*

Beginning with 2011–2012, if a college or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, the college must evaluate the validity of the student's high school completion.

Noncompliance Summary:

The review of student files revealed that the diplomas for the following students may have been from ineligible high schools and/or do not meet the conditions for acceptance in their particular program of study at your institution:

Student	***Diploma in File***
19	*Home Studies*
15	*Islington High School*

In addition, it was determined while on site that PTC did not obtain proof of graduation for student #1.

Required Action Summary:

In response to this report PTC had to develop and submit policies and procedures for identifying invalid high school diplomas to ensure future compliance.

PTC's Response:

In its response, (Appendix C), PTC acknowledged that Student #19 provided proof of graduation from an institution that is not a valid high school. Furthermore, PTC also acknowledged that they were not able to obtain proof of graduation for Student #1. PTC has revised its policies and procedures to ensure future compliance.

Final Determination:

Per PTC's Admission requirements that were provided to the reviewers while onsite and the interview with the previous owner, Ms. Yvonne Silva, PTC does not accept attestations and requires proof of graduation for students to be admitted and enrolled.

The total amount of Title IV funds that PTC improperly disbursed for this finding is $7,400 in Pell Grant funds and $3,166 in Direct Loan funds for Students #1 and #19.

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated actual loss (EAL) to the Department that has resulted or will result from those ineligible loans is based on the most recent sector default rate available for institutions such as PTC.

As a result, PTC must return $7,400 in Pell Grant funds. The estimated actual loss that PTC must pay to the Department for the ineligible Direct Loans is $140. A copy of the results of that calculation is included as Appendix E.

Please refer to Section D regarding liability information and Section E for repayment instructions.

Finding 8: Return of Title IV (R2T4) Not Made/Made Late

Citation Summary:

An institution is required to return funds to the applicable Title IV program when a recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. 34 C.F. R. § 668.22

Pursuant to 34 C.F. R. § 668.173 (b) an institution returns unearned Title IV program funds timely if the institution deposit or transfers the funds into the bank account its maintains under § 668.163 no later than 45 days after the date the it determines that the student withdrew.

Noncompliance Summary:

Student #21, PTC completed an R2T4 calculation 6/26/12 where it was determined that PTC was responsible for returning 2,004 in unearned Pell funds to the Department. PTC failed to return these funds according to the student account ledger and COD. At the time of the review it was noted that these funds were not returned to the Department.

Student #22, an R2T4 calculation was completed by PTC where it was determined that the institution is responsible for returning $2,347.03 in Direct Loans (DL). At the time of the review, it was also determined that PTC has not returned these funds to the Department.

Required Action Summary:

PTC had to strengthen procedures to ensure that refunds are made in a timely fashion. The institution's response also had to provide a description of the steps that will be taken to prevent a repeat of this finding in the future and supporting documentation that the unearned funds for Students #21 and 22 have been returned to the Department.

PTC's Response:

In its response, Appendix C, PTC concurred with this finding and recommendation. PTC made the required revisions to strengthen their procedures to ensure refunds are made timely. In addition, PTC performed a file review for all students who were dropped and/or withdrawn to ensure no other refunds were due. The file review indicated that refunds in the amount of $16,867 are due to the Department.

Final Determination:

Due to the number of unpaid and late refunds, the institution is required to have on file with the Department an irrevocable Letter of Credit equal to 25% of the total refunds the institution made or should have made during the most recently closed fiscal year (34 C.F.R. § 668.173(d)). The institution has an existing Letter of Credit in the amount of $107,000 with an expiration date of September 26, 2014; therefore, no further action regarding the irrevocable Letter of Credit for this finding is required at this time.

However, PTC is required to return $6222 in Pell Grant funds and $10,645 in Direct Loan funds for R2T4s that were not made. Pell liability of $158 was already established for Student #22 in Finding 1; that amount is included in the liabilities for this finding, however, the duplicated amount will be removed in the summary of liabilities table.

In addition, PTC must notify both students in writing regarding payments made on their behalf. This notification must include the reason, amount and date of payments. Please refer to Section D regarding liability information and Section E for repayment instructions.

Finding 13: Satisfactory Academic Progress (SAP) Not Adequately Monitored

Citation Summary:

Pursuant to 34 C.F.R. § 668.32 of the General Provisions regulations a student must maintain satisfactory progress in his or her course of study according to the institution's *published standards of satisfactory academic progress that satisfy the provisions of Section 668.16(e). Federal regulations require an institution to consistently apply its SAP standards to all students within categories of students (i.e. full-time. part-time, undergraduate and graduate students, and educational programs established by institution). The school must determine, prior to disbursing Title IV funds, if a student is meeting satisfactory progress standards.*

Noncompliance Summary:

PTC's SAP policy is inadequate and does not meet the minimum qualitative and quantitative requirements to monitor academic progress. As a result, students at PTC potentially received Title IV funds that that they were not entitled to due to not meeting the minimum satisfactory academic progress requirements.

Required Action Summary:

PTC had to conduct a file review of all Title IV recipients who received a second Title IV disbursement for the 2010-2011, 2011-2012 and the current award years to determine if PTC properly applied the Standards of Academic Progress. The purpose was to determine those students who obtained Title IV funds for terms in which the student should have been on Academic Suspension and thus should not have received such funds.

The institution had to provide a copy of each student's academic transcript and account ledger for those students who received Title IV funds during a period when the student should have been on Academic Suspension.

The Institution's revised policies and procedures also had to be immediately implemented for SAP monitoring to ensure compliance for the 2012-2013 award year and beyond. The college was required to notify all current and prospective students as well as Faculty and staff responsible for monitoring SAP of changes to its SAP standards and how those changes may impact one's course load.

The Institution had to engage an independent Public Accountant (IPA) to test the file review completed by the Institution. The IPA had to develop a set of procedures designed for testing the accuracy and completeness of the file review and have these procedures approved by Ms. Woodard.

The IPA had to apply the Agreed upon Procedures to test the file review(s) completed by Institution, and prepare a report including any exceptions noted during its testing. The exceptions were to be detailed and identified. Exceptions reported for all file review elements as specified in the finding requirement as presented in the Program Review Report.

PTC's Response:

In accordance with the instructions of the Program Review Report, PTC conducted a file review for all Title IV recipients who received a second disbursement for the 2010-2011, 2011-2012 and current award years to determine if PTC properly applied the standards of academic progress. As a result of the file review, PTC noted that two students received ineligible disbursements due to not reaching the next payment period.

Final Determination:

It has been determined that PTC disbursed funds to two students who did not reach the next payment period. The total amount of Title IV funds that PTC improperly disbursed for this finding is $3,145 in Pell Grant funds and $987 in Direct Loan funds.

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated actual loss (EAL) to the Department that has resulted or will result from those ineligible loans is based on the most recent sector default rate available for institutions such as PTC.

As a result, PTC must return $3,145 in Pell Grant funds. The estimated actual loss that PTC must pay to the Department for the ineligible Direct Loan is $119. A copy of the results of that calculation is included as Appendix E.

Please refer to Section D regarding liability information and Section E for repayment instructions.

D. Summary of Liabilities

Final Liabilities After Calculations & Duplicate Liabilities Removed							
Findings	Students[1]	Program	Award Year	Liabilities After Estimated Actual Loss (EAL)[2]	Principal for Cost of Funds[3]	Total Interest Due to the Dept.	Total Liabilities
Finding 1	(b)(6); (b)(7(C)	Pell	2011-2012		$ 158.00	$ 1.00	
Finding 2		DL Unsubsidized	2011-2012		$ 857.00	$ 8.00	
Finding 2		DL Unsubsidized	2011-2012		$ 1,681.00	$ 12.00	
Finding 3		Pell	2010-2011		$ 3,700.00	$ 56.00	
Finding 3		Pell	2010-2011		$ 1,850.00	$ 31.00	
Finding 3		Pell	2011-2012		$ 1,850.00	$ 26.00	
Finding 3		DL Subsidized	2011-2012	$ 140.00			
Finding 3		DL Unsubsidized	2011-2012	$ -			
Finding 8		Pell	2011-2012		$ 2,004.00	$ 11.00	
Finding 8		DL Subsidized	2011-2012		$ 656.00	$ 3.00	
Finding 8		DL Unsubsidized	2011-2012		$ 1,692.00	$ 9.00	
Finding 8		Pell	2011-2012		$ 1,108.00	$ 7.00	
Finding 8		DL Subsidized	2011-2012		$ 1,162.00	$ 8.00	
Finding 8		Pell	2011-2012		$ 606.00	$ 4.00	
Finding 8		Pell	2011-2012		$ 773.00	$ 4.00	
Finding 8		DL Subsidized	2011-2012		$ 988.00	$ 5.00	
Finding 8		DL Unsubsidized	2011-2012		$ 1,692.00	$ 9.00	
Finding 8		DL Unsubsidized	2011-2012		$ 2,098.00	$ 3.00	
Finding 8		DL Unsubsidized	2011-2012		$ 2,357.00	$ 3.00	
Finding 8		Pell	2012-2013		$ 1,573.00	$ 6.00	
Finding 13		Pell	2012-2013		$ 1,850.00	$ 10.00	
Finding 13		Pell	2011-2012		$ 1,295.00	$ 13.00	
Finding 13		DL Subsidized	2011-2012	$ 119.00			
Total				$ 259.00	$ 29,950.00	$ 229.00	$ 30,438

1 Students listed by number were in the original statistical sample whereas students listed by first initial and last name were included in the institutional file review.

2 See Appendix E for details

3 See Appendix D for details

PTC must repay a total of $30,438 in Direct Loan and Pell Grant liabilities.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

The disbursement record for each student identified in Appendix D must be adjusted in the Common Origination and Disbursement (COD) system based on the award year being open or closed. The 2012-2013 award year will remain open for adjustments until July 31, 2014. Closed award years = 13 months after the award year ends (on the last business day in July of the following year). For example 2011-2012 will close July 31, 2013.

COD adjustments for closed award years:

Before any student level adjustments can be processed, PTC must immediately request extended processing through the COD Website (http://cod.ed.gov).

- Click on the Request Post Deadline/Extended Processing link under the School menu.
- On the request screen, the institution should indicate in their explanation that the request is based on a program review, and provide the program review control number.
- The institution will be notified of the status of the request at the time of submission, and will also be notified by email to the FAA and President when extended processing has been authorized. At that time, the school must transmit student/borrower level adjustments to COD for the closed award year(s).

COD adjustments for open award years:

The disbursement record for each student must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in Appendix D applicable to the findings.

If the adjustment to the disbursement record(s) creates a negative balance, the difference (principal) must be returned to G5 electronically. Note that the Department collects a liability from a program review <u>via G5 only for liabilities owed for the Pell or TEACH currently open award year</u>.

A copy of the adjustment to each student's COD record, as well as proof that the funds were returned through G5, if applicable, must be sent to Toyoko Woodard **within 45 days of the date of this letter**.

E. Repayment Instructions

Progressive Training Centers owes to the Department $30,438. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and <u>upon receipt of payment the Department will apply the funds to the appropriate G5 award</u> (if necessary).

The following identification data must be provided with the payment:

Amount:	**$30,438**
DUNS:	**167229058**
TIN:	**651085049**
PRCN:	**2012-4-04-28063**

<u>Terms of Payment</u>

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. PTC is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to PTC's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan.

Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, PTC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due PTC from the Federal Government. **PTC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, PTC must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

F. Appendices

Appendix A, Student Sample, contain personally identifiable information and will be emailed to PTC upon request as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendices B, C, D, E and F are attached to this report.

Appendix: B

Program Review Report

Prepared for
Progressive Training Centers

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
PROUD SPONSOR of the AMERICAN MIND™

OPE ID: 041768-00
PRCN: 2012-4-04-28063

Prepared by: Toyoko Woodard
U.S. Department of Education
Federal Student Aid
Atlanta School Participation Division

Program Review Report

February 19, 2013

Table of Contents

A. Institutional Information

Progressive Training Centers
98 East McNab Road
Suite 98
Pompano Beach, FL 33060-9238

Type: Proprietary

Highest Level of Offering: Non-Degree 1 Year

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 54 (2012-2013)

% of Students Receiving Title IV: 57% (2012-2013)

Title IV Participation Postsecondary Education Participants System (PEPS):

Title IV Programs	2011-2012
Federal Pell Grant (PELL)	$ 172,996
Federal Direct Loan (DL)	$ 289,997

Default Rate FFEL/DL: *New institution, no rates available.

* Note: Institution is currently on Stop-Pay due to new ownership.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Progressive Training Centers (PTC) from September 24, 2012 to September 28, 2012. The review was conducted by Toyoko Woodard and Robert Scott.

The focus of the review was to determine PTC'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 PTC'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 30 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 partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

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

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by PTC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Verification Discrepancies

Citation:

34 C.F.R. § 668.54 states, an institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary to verify all of the applicable items specified in 34 C.F.R. § 668.56.

The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. An institution must establish procedures to request, receive and verify applicant data for each award year. Institutions are also responsible for resolving conflicting information related to a student's application for Title IV aid. There are five required data elements that must be verified. These five items are:

- Household size (HHS)
- Number enrolled in college;
- Adjusted Gross Income (AGI);
- U.S. income tax paid; and,
- Other untaxed income and benefits

34 C.F.R. § 668.54(a)(2)(i) of the General Provisions regulation states that an institution must verify all applications CPS selects for verification. However, there is a limit on the number of applications an institution is required to verify. Participating institutions do not have to verify more than 30% of the total number of Title IV applicants at the institution, unless it chooses to do so. If the total number of selected applications is less than 30% of the institution's total number of applications for federal student aid, the institution must verify all selected applications.

In general, your school must have correct data before it can pay the student. If your school has conflicting information concerning a student's eligibility or you have any reason to believe a student's application information is incorrect, you must resolve the discrepancies before disbursing Title IV funds. If you discover discrepancies after disbursing Title IV funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Noncompliance:

Progressive Training Centers did not accurately complete verification for the following students:

Student #22: This student received $158 in Pell Funds and $2,692 in Direct Loan funds.

Student #23: This student received $1,702 in Pell funds and $2,601 in Direct Loan funds.

Student #28: This student received $1,850 in Pell funds and $1,826 in Direct Loan funds.

These students were all selected for verification however all three students had untaxed income from the "making work pay" tax credit that was not reflected on their ISIR. The untaxed income reported on the ISIRs conflicts with the students' taxes therefore verification is not considered to be complete.

Required Action:

Due to the closed award year, the institution must make the appropriate verification corrections for students #22, 23 and 28. The institution must then determine if those corrections would have constituted a change to the students EFC and/or award amounts. Your response to this finding should provide copies of the verification documentation to support the institutions corrections and corrected data elements. The institution must explain corrective actions the institution will take to complete verification and resolve applicant discrepancies in the future in its response to this report.

Finding 2: Credit Balance Made Late/Not Made

Citation:

A Federal Student Aid (FSA) credit balance occurs whenever your school credits FSA program funds to a student's account and the total amount of those funds exceeds the student's allowable charges. An institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than: See 34 C.F.R. § 668.164(e)

1. 14 days after the credit balance occurred if the credit balance occurred after the first day of class of a payment period; or
2. No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

Similarly, a school is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent in the case of PLUS). If an institution has the authorization to hold credit balances, it must identify the amount of funds that it holds for the student or parent in a subsidiary ledger account designated for that purpose. Institutions must maintain at all times cash in its bank account at least equal to the amount it holds for students. See 34 C.F.R. § 668.165(b).

Because FSA funds are awarded to students to pay current year charges, notwithstanding any authorization from the student or parent, Institution's must pay:

1. Any remaining balance of FSA funds by the end of the loan period, and
2. Any other remaining FSA program funds by the end of the last payment period in the award period in the award year for which they were awarded.

Noncompliance:

The student account ledgers of 4 students indicated that they had late or unpaid credit balances. There were no indications that the students signed forms allowing their credit balances to be held by the school.

The credit balances are as follows:

Student #3: This student had Pell disbursed on 4/24/2012 in the amount of $1,850 and a tuition balance of $1,348 leaving a remaining credit of $502 on the student's account ledger. The student's academic record indicates the student graduated 4/20/2012 however this student still has the remaining $502 credit on their account ledger and no records that a credit balance check was issued to this student for this amount. This is an unpaid credit balance.

Student #12: This student had $1,990 in an unsubsidized loan disbursed to his account on 7/29/11 that created a credit balance of $1,380.75 that was paid to the student on 8/15/11. The credit balance was paid to this student beyond the 14 day requirement, as result this credit balance is considered to be paid late.

Student #26: This student had $871 in a subsidized loan and $1,493 in an unsubsidized loan disbursed to this account on 10/18/11 that created a $1,620.75 credit balance. However, $1,052 of the credit balance was paid to the student on 11/1/11 but the remaining amount of $568.75 was not paid until 11/9/11. The credit balance for this student was paid beyond the 14 day requirement, as result this credit balance was made late.

Student #26: This student had $971 in a unsubsidized loan disbursed to her account on 5/22/12 creating a $32 credit balance. The credit balance was not paid until 6/8/12. The credit balance for this student was paid beyond the 14 day requirement, as result this credit balance was made late.

Required Action:

Paying credit balances late is a systemic problem and may indicate a lack of financial responsibility on the part of the institution. Holding credit balances due to students deprives students of funds needed for indirect costs such as books, transportation, childcare and other expenses. PTC did not have a subsidiary account holding these credit balances, and did not have permission from the students to hold these credit balances.

PTC must make an attempt to provide Student #3 their credit balance check in the amount of $502 and provide a copy of the cancelled check once this has been completed and/or provide supporting documentation that the attempt was made and unsuccessful with their response to this finding.

In addition, PTC's response must provide a description of the steps that will be taken to prevent a repeat finding in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 3: Invalid and/or Lack of GED/High School Diploma

Citation:

34 C.F.R. § 668.32, Student Assistance General Provisions advises a student is eligible to receive Title IV funds if the student is a regularly enrolled student or one who is accepted for enrollment in an eligible program at an eligible institution. Among other criteria, the student must have a high school diploma or its recognized equivalent or have a passing score on a specified, Department approved, independently administered test in accordance with subpart J of Section 668.32.

The Department recognizes several equivalents to a high school diploma:

1. A General Equivalency Diploma (GED);
2. A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
3. An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
4. For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school; must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

The 2011-2012 Federal Student Aid Handbook, Volume 1, Page 1-10, further discusses high school equivalency requirements and specifically in the sidebar notation, Page 6, states the, "College Diploma Mill Definition" as being an entity that:

- Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and

- Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to

Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.

Beginning with 2011–2012, if a college or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, the college must evaluate the validity of the student's high school completion.

Noncompliance:

The review of student files revealed that the diplomas for the following students may have been from ineligible high schools and/or do not meet the conditions for acceptance in their particular program of study at your institution:

Student	Diploma in File
19	Home Studies
15	Islington High School

In addition, it was determined while on site that PTC did not obtain proof of graduation for student #1.

Required Action:

In response to this report PTC must develop and submit policies and procedures for identifying invalid high school diplomas to ensure future compliance. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 4: Inaccurate/Unsupported Attendance Records & Academic Transcripts

Citation:

34 C.F.R. § 668.24, states that a school must keep a comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be overemphasized. Program and fiscal records must demonstrate the school is capable of meeting the administrative and fiscal requirements for participating in the FSA programs. In addition, records must demonstrate proper administration of FSA program funds and must show a clear audit trail for FSA program expenditures. For example, records for each FSA recipient must clearly show that the student was eligible for the funds received, and that the funds were disbursed in accordance with program regulations.

The fiscal records that a school must maintain include, but are not limited to:

- Records of all FSA program transactions
- Bank statements for all accounts containing FSA funds
- Records of student accounts, including each student's institutional charges, cash payments, FSA payments, cash disbursements, refunds, returns, and overpayments required for each enrollment period
- General ledger (control accounts) and related subsidiary ledgers that identify each FSA program transaction (FSA transactions must be separate from school's other financial transactions)
- Records that support data appearing on required reports
- FSA program reconciliation reports
- Audit reports and school responses
- State grant and scholarship award rosters and reports
- Accrediting and licensing agency reports

Non-compliance:

While onsite PTC was unable to produce academic transcripts or its equivalent to determine the eligibility components for any students reviewed while on site. The attendance records and transcripts that were provided by PTC did not include the student's specific enrollment dates and progression towards their program of study.

Subsequently a letter was mailed to PTC requesting the attendance and transcript documentation again. PTC then submitted several variations of transcripts that were both mailed and emailed for the students included in the sample. As a result, PTC was warned that it appeared PTC was constructing documents that did not exist prior to the onsite review.

The institution's academic transcripts that were submitted after the onsite review do not include the student's specific enrollment dates and progression towards their program of study, repeated courses (if applicable), courses where the student earned F's or all W's (i.e. failed to earn any passing grades) or a combination thereof including the applicable dates. They also do not indicate the student's satisfactory academic progress status. The transcript does not note if the student is on warning, probation or suspension. The majority of the transcripts and attendance records that were submitted by PTC and the information provided have conflicting information.

For example, the first three students:

Student #1: There were two attendance records and three transcripts provided for this student by PTC. Almost all of the completed hours, dates completed and percentage of hours conflicted for this student on both of the attendance records provided as if it were two different students. On one attendance record it indicates the student completed 301 hours as of 7/5/11 and had completed 70.82% of scheduled hours. However, on the other attendance record it indicates the student completed 303 hours as of 6/21/11 and had completed 79.74% of scheduled hours.

This student graduated on 11/17/2011 and had three disparate final GPA's on each transcript provided that included a 3.91, 3.89 and 3.31. The letter grades conflicted for the courses completed on the three transcripts provided. One transcript indicates that the student received F's for RNA 101, RPL 101 and REK 101; however, the other two transcripts indicate that the student received A's in these courses. In addition, two of the three transcripts indicated that 510 total hours were earned by the student. However, the last transcript received by PTC via mail indicates the student earned 600 hours.

Student #2: There were three attendance records provided by PTC. One attendance record indicates as of 8/16/11 the student completed 47 hours and had completed 26.11% of scheduled hours. However, another attendance record conflicts by indicating that on the same day that student completed 52 hours and had 37.14% of scheduled hours.

Student #3: There were two attendance records provided. One record indicates that as of 7/14/2011 the student completed 195 hours and had completed 105.41% of scheduled hours. However, another attendance record indicates on the same day the student completed 185 hours and had completed 100% of scheduled hours.

There were two transcripts provided for this student. One transcript indicates the student graduated on 4/20/12 and the other transcript indicates that the student graduated on 4/30/12. In addition, most of the grades earned for this student also conflict. On one transcript the student earned a final grade of 86 in HSF-102 on the other transcript it indicates that the student's final grade is a 92 in the same course. This continues with the MAT-102 earning a final grade of 90 on one and an 88 on the other, COM-100 a final grade of 90 on one and a 97 on the other. This pattern continues for most of the courses completed by this student.

This pattern of discrepancies continues with the remaining population of the students selected in the review.

It appears that PTC is not capable of adequately monitoring their students' attendance as required by their accrediting agency and is unable to consistently determine a student's grade earned for the courses completed.

Required Action:

Academic transcripts should accurately reflect the student's status and the program in which they are enrolled in order to clearing establish official records for the student's future use.

PTC must conduct a file review and revise its academic transcripts for all Title IV recipients. The revised academic transcripts must include but is not limited to the following elements:

- Students' Full Name
- Personal Identifiers (Students' SSN, School ID#, Address, Etc...)
- Program of Study
- Graduation Date (If Applicable)
- All Courses Taken
- Specific Enrollment Dates for All Courses Taken
- Indication of Repeated Courses (If Applicable)
- Grades for Courses
- Courses Where The Student Earned F's Or All W's (i.e. Failed To Earn Any Passing Grades)
- Cumulative Grade Point Average (GPA)
- GPA at the End of Any Payment Period(s)
- Whether or not the student is making satisfactory academic progress (SAP) by indicating if the student is on warning, probation, or has been suspended.

The Institution must engage an independent Public Accountant (IPA) to test the file review completed by the Institution. The IPA must develop a set of procedures designed for testing the accuracy and completeness of the file review. The suggested procedures must be provided to Toyoko Woodard within 30 days of the institution's receipt of the Program Review Report. Ms. Woodard will review the procedures, indicate if any changes are needed, and approve the procedures.

The IPA must apply the Agreed upon Procedures to test the file review(s) completed by Institution, and prepare a report including any exceptions noted during its testing. The exceptions must be detailed and identified. Exceptions must be reported for all file review elements as specified in the finding requirement as presented in the Program Review Report. The IPA must prepare the report in accordance with AICPA Attestations Standards. The IPA's report must be submitted with Institution's response to this Program Review Report.

Copies of the revised academic transcripts from the file review must be included in PTC's response to this report. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 5: Exit Counseling Deficiencies

Citation:

34 C.F.R. § 685.304(b) states, a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or

professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student borrower may be provided with written counseling materials within 30 days after the student borrower completes the program.

If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

34 C.F.R. § 685.304, states the school must maintain documentation substantiating the school's compliance with this section for each student borrower.

Noncompliance:

There was no documentation to verify that Students 22 and 29 who had ceased to be enrolled, received the required Federal Stafford Loan exit counseling.

Required Action:

In response to this finding, the institution must provide supporting documentation verifying proof exit counseling has been completed by the applicable 2 students. In addition, the institution must submit an updated copy of their policies and procedures for conducting Entrance and Exit Counseling to ensure future compliance.

Finding 6: Inadequate & Incomplete Professional Judgment

Citation:

Section 479A of the HEA specifically gives the financial aid administrator (FAA) the authority to use professional judgment to make case-by-case adjustments to the cost of attendance or to the values of the items used in calculating the EFC to reflect a student's special circumstances. The use of professional judgment in Federal need analysis is discussed in the Federal Student Aid Handbook available at www.ifap.ed.gov.

The Secretary encourages FAAs to use professional judgment in order to reflect more accurately the financial need of affected individuals. To that end, the Secretary encourages institutions to determine an affected individual's need using the method listed below that is the most beneficial to the affected individual:

- By using the adjusted gross income (AGI) plus untaxed income and benefits received in the first calendar year of the award year;
- By using professional judgment; or
- By making no modifications. (For example, in some cases, an individual's income will increase as a result of serving on active duty or performing qualifying National Guard duty.)

The reason for the adjustment must be documented in the student's file, and it must relate to the special circumstances that differentiate him—not to conditions that exist for a whole class of students. You can also use professional judgment to adjust the student's cost of attendance. You must resolve any inconsistent or conflicting information shown on the output document *before* making any adjustments.

The FAA must clearly document the reasons for any adjustment and the facts supporting the decision. In almost all cases, the FAA should have documentation from a third party with knowledge of the student's unusual circumstances. As usual, any professional judgment decisions made by an FAA that affect a student's eligibility for a subsidized student financial assistance program must be reported to the Central Processing System, also refer to 34 C.F.R. § 668.59 and 690.14.

If you use professional judgment to adjust a data element, you must use the resulting EFC consistently for all FSA funds awarded to that student. For example, if for awarding the student's Pell grant you adjust a data element that affects the EFC, that new EFC must also be used to determine the student's eligibility for aid from the Campus-based and Stafford loan programs.

Noncompliance:

PTC made several adjustments to Student #13's ISIR that included reducing the AGI and income tax paid. As a result, the student's EFC changed from 9,553 to 6,084. PTC failed to report to the Central Processing System that a Professional Judgment was administered to create the corrected EFC reported.

In addition, PTC was not able to provide any supporting documentation to support any basis or reason to administer a professional judgment. PTC also failed to follow their own procedures before partially administering a professional judgment. Whereas, the PTC Professional Judgment form that was included in the student's file specifically states at the bottom in bold, "All Professional Judgments must be approved by the financial aid director supporting documentation must be attached to this document prior to approval". It was also noted that the FAD Approval signature line was left blank.

Required Action:

Due to the closed award year, PTC must provide the supporting documentation for the Professional Judgment administered for Student 13 and their updated policies and procedures in processing Professional Judgments to ensure future compliance. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 7: Inaccurately Reporting Information to COD

Citation:

34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. The Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the Federal Register, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.

An institution shall report to the Secretary any change in the amount of a grant for which a student qualifies including any related Payment Data changes by submitting to the Secretary the student's Payment Data that discloses the basis and result of the change in award for each student. The institution shall submit the student's Payment Data reporting any change to the Secretary by the reporting deadlines published by the Secretary in the Federal Register.

An institution shall submit, in accordance with deadline dates established by the Secretary, through publication in the Federal Register, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct.

In addition, institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Common Origination and Disbursement (COD) system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement. Refer to the Federal Register for the most recent reporting deadlines and requirements. The disbursement date is the date that the institution:

(a) Credits funds to a student's account, or;
(b) Pays funds to a student directly

An institution must have an adequate internal system to identify conflicting information—regardless of the source and regardless of whether the student is selected for verification—that would affect a student's eligibility, such as information from the admissions office as to whether the student has a high school diploma or information from other offices regarding academic progress and enrollment status. The school must resolve all such conflicting information, except when the student dies during the award year.

If your school has conflicting information concerning a student's eligibility or you have any reason to believe a student's application information is incorrect, you must resolve the discrepancies before disbursing FSA funds. If you discover discrepancies *after* disbursing FSA funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Noncompliance:

PTC inaccurately reported to COD that Student #10 was an incarcerated student, when asked how the institution provided instruction to this student the reviewers were advised that this was reported in error. This discrepancy should have been caught and resolved prior to disbursing Title IV funds.

In addition, disbursement dates reported to COD were not accurate. The following chart illustrates an example of the difference between dates that Title IV funds were disbursed to the student's account versus disbursements dates reported to COD.

Student #	COD	Student Account Ledger	Program	Amount
10	7/6/11	7/8/11	Pell	$1,850
10	7/21/11	7/25/11	Sub Loan	$1,162
10	7/21/11	7/25/11	Unsub Loan	$1,990
14	6/09/11	6/14/11	Pell	$1,850
14	8/8/11	8/10/11	Sub Loan	$1,162
14	8/8/11	8/10/11	Unsub Loan	$1,990
23	6/29/12	7/6/12	Pell	$1,702

Required Action:

PTC must review COD reporting procedures to determine why disbursement dates and conflicting information reported are not accurate for its students. PTC must correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. In addition, the institution must correct the inaccurate information reported for Student #10 and the disbursement dates in COD for ALL of the students that were selected during this review. To show the corrections have been made in COD, the institution must provide this office with a copy of the "Award Disbursements Information" page from the COD system. PTC's response must describe procedures that the institution will put into place in order to correct these deficiencies.

Finding 8: Return of Title IV (R2T4) Not Made/Made Late

Citation:

An institution is required to return funds to the applicable Title IV program when a recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. 34 C.F. R. § 668.22

Pursuant to 34 C.F. R. § 668.173 (b) an institution returns unearned Title IV program funds timely if the institution deposit or transfers the funds into the bank account its maintains under § 668.163 no later than 45 days after the date the it determines that the student withdrew.

Noncompliance:

Student #21, PTC completed an R2T4 calculation 6/26/12 where it was determined that PTC was responsible for returning 2,004 in unearned Pell funds to the Department. PTC failed to return these funds according to the student account ledger and COD. At the time of the review it was noted that these funds were not returned to the Department.

Student #22, an R2T4 calculation was completed by PTC where it was determined that the institution is responsible for returning $2,347.03 in Direct Loans (DL). At the time of the review, it was also determined that PTC has not returned these funds to the Department.

Required Action:

Failure to make refunds in a timely manner is a demonstration of impaired administrative capability. Continuous demonstration of impaired administrative capability made result in administrative action against the school.

PTC must strengthen procedures to ensure that refunds are made in a timely fashion. The institution's response must provide a description of the steps that will be taken to prevent a repeat of this finding in the future and supporting documentation that the unearned funds for Students #21 and 22 have been returned to the Department. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding: 9 Return of Title IV (R2T4) Date of Determination Not Calculated Within 30 Day Timeframe

Citation:

34 C.F.R. § 668.22 states, 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.

Institutions that are required to take attendance are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days (less if the school has a policy requiring determination in fewer than 14 days) after the student's last date of attendance as determined by the institution from its attendance records.

Furthermore, if the number of days in the school's policy is less than 14 days, then the date of the school's determination that the student withdrew is the date the school's policy indicates that the student will be administratively withdrawn. A school must return the amount of Title IV funds for which it is responsible as soon as possible, but no later than 45 days after it determines or should have determined that the student withdrew. In addition, if a student is due a Post-withdrawal disbursement, then the date of the school's determination must allow for the school to meet the 30-day Post-withdrawal disbursement notification requirement.

The date of the institution's determination that the student withdrew is used in the following circumstances:

- A school must offer any amount of a Post-withdrawal disbursement that is not credited to the student's account within 30 days of the date of determination.
- If the student or parent submits a timely response that instructs the school to make all or a portion of the Post-withdrawal disbursement, the school must normally disburse the funds within 180 days of the date of determination.
- A school must document a student's withdrawal date and maintain the documentation as of the date of determination.
- Within 30 days of the date of determination, a school must notify a student if a grant overpayment is due.

Noncompliance:

PTC failed to determine, complete and calculate the R2T4 for Students #2 and 9 within the required timeframe.

Required Action:

It was determined after the R2T4 calculations were completed for Students #2 and 9 that they did not require any Title IV funds to be returned. However, PTC's response must provide a description of the steps that will be taken to prevent a repeat finding in the future to ensure refunds are determined and calculated within the required timeframe to ensure timely return of funds and/or post withdrawal disbursements are made.

Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 10: Inadequate Monitoring of Leave of Absences (LOA)

Citation:

34 C.F.R. § 668.22(d) states, an institution does not have to treat a leave of absence as a withdrawal if it is an approved leave of absence. A leave of absence is an approved leave of absence if—

- The institution has a formal policy regarding leaves of absence;
- The student followed the institution's policy in requesting the leave of absence;
- The institution determines that there is a reasonable expectation that the student will return to the school;
- The institution approved the student's request in accordance with the institution's policy;
- The leave of absence does not involve additional charges by the institution;
- The number of days in the approved leave of absence, when added to the number of days in all other approved leaves of absence, does not exceed 180 days in any 12-month period;

34 C.F.R. § 668.22(d) states, one of the criteria for an approved leave of absence is that the student must follow the school's leave of absence policy in requesting a leave of absence. The institution's policy must be a formal policy in writing and publicized to the students. The school is expected to follow its policy.

34 C.F.R. § 668.22 further indicates that an approved LOA requires students to provide a written, signed, and dated request, that includes the reason for the request, for a leave of absence prior to the leave of absence. However, if unforeseen circumstances prevent a student from providing a prior written request, the institution may grant the student's request for a leave of absence, if the institution documents its decision and collects the written request at a later date.

34 C.F.R. § 668.14 states, an institution must comply with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statute authority, and all applicable special arrangements, agreements and limitations entered into under the authority of statutes applicable to the Title IV of the HEA.

Noncompliance:

PTC is not adhering to its LOA policies and procedures. For Student #2, the LOA request form was incomplete, the decision was not determined, the form was not signed by the student or PTC and a valid reason for the request was left blank or inadequate.

Required Action:

PTC must ensure that all leave of absences are requested by the student in writing and clearly documented and supported as to the "reason". Not following a school's written policies undermines the school's ability to enforce the rules within the student body and allows the students to not regard the policies seriously. The school must follow its written leave of absence policy and implement an updated LOA form that clearly indicates if the LOA request was approved or not approved by the institution. PTC must provide its plan to enforce their LOA policies and procedures and submit a copy of the updated LOA request form with their response to this report.

Finding 11: Cost of Attendance (COA) Not Established

Citation:

In the case of an undergraduate student who seeks a Stafford loan for unsubsidized Stafford loan for the cost of attendance at a school that participates in the Pell Grant Program, has received a final determination, or, in the case of a student who has filed an application with the school for a Pell Grant, a preliminary determination, from the school of the student's eligibility or ineligibility, has applied for the period of enrollment for which the loan is sought. In the case of any student who seeks an unsubsidized Stafford loan for the cost of attendance at a school that participates in the Stafford Loan Program, the student must receive a determination of need for subsidized loan. Refer to 34 C.F.R. § 682.201.

The cost of attendance is the cornerstone of establishing a student's financial need, as it sets a limit on the total aid that a student may receive for purposes of the ACG/SMART Grant programs, TEACH Grant, Campus-Based Programs and Stafford/PLUS loans, and is one of the basic components of the Pell Grant calculation. Refer to the 2011-2012 Federal Student Aid Handbook, Chapter 2 of Volume 3.

Needs analysis is the process of finding the student's financial need (i.e., the difference between the cost of attendance and the expected family contribution (EFC) and other estimated financial assistance.

The school must document the student's cost of attendance, Expected Family Contribution (EFC) and estimated financial assistance in the student's file. This information must be made available the Department upon request. Refer to 34 C.F.R. § 685.300.

Noncompliance:

PTC provided a third party agreement from, WorkForce One Employment Solutions Broward County, where they advised that numerous students at their institution received additional financial assistance from this organization. However, PTC was not able to consistently provide supporting documentation in regards to how much each student received. For example:

Student #1: The anticipated WIA funds on her budget worksheet indicated that the student would receive $2,946.25. However, the WIA voucher indicated the student would receive $1,500. When PTC was asked to clarify the amount the student received the reviewers were advised that there was still an outstanding amount in addition to the $1,500 voucher amount received. Considering the student graduated 11/17/11 and this still had not been resolved PTC contacted WIA during the review to request an additional $1,446.25 to cover the outstanding balance the student had on her account. PTC was unable to provide any information to confirm the total amount of WIA funds received for this student.

Student #3: This student received WIA funds according to the student account ledger; however, these funds were not included on the award letter. PTC was unable to provide any information to confirm the total amount of WIA funds received for this student.

Student #21: This student had a WIA voucher and supporting email documentation that the student received WIA funds on 5/4/12 for $593.50. However, there was no indication of this transaction on the student's account ledger. PTC was unable to provide any information to confirm the total amount of WIA funds received for this student.

As a result, these funds were not included on several student award letters and student account ledgers to be considered in the need analysis process which may potentially cause these students to be over awarded Title IV funds.

In addition, PTC could not provide a Cost of Attendance (COA) for any of the students in the program review sample. However, COA's were developed for the various programs by the Financial Aid Administrator during the review while on site.

Required Action:

PTC must complete a file review for all students who received Title IV funds and provide budgets for the 2010-2011 and 2011-2012 award years and then include the EFC and breakdown of all aid awarded, including WIA. In addition, PTC must provide a list of any students that are then determined to be over awarded and provide the specifics of each individual over award, if applicable.

The results of the file review must be forwarded to this office in an electronic spreadsheet format with the following information:

- Last Name
- First Name
- Last 4 digits of SSN
- Disbursement Amounts
- Date of Disbursements (mm/dd/yy)

PTC must also provide official documentation from WorkForce One Broward County that includes all Workforce Investment Act (WIA)/ Workforce Development disbursements made on behalf of students enrolled at PTC from June 2010 until present.

The Institution must engage an independent Public Accountant (IPA) to test the file review completed by the Institution. The IPA must develop a set of procedures designed for testing the accuracy and completeness of the file review. The suggested procedures must be provided to Toyoko Woodard within 30 days of the institution's receipt of the Program Review Report. Ms. Woodard will review the procedures, indicate if any changes are needed, and approve the procedures.

The IPA must apply the Agreed upon Procedures to test the file review(s) completed by Institution, and prepare a report including any exceptions noted during its testing. The exceptions must be detailed and identified. Exceptions must be reported for all file review elements as specified in the finding requirement as presented in the Program Review Report. The IPA must prepare the report in accordance with AICPA Attestations Standards. The IPA's report must be submitted with Institution's response to this Program Review Report.

If PTC submits the data electronically, the institution must place the files in a password protected WINZIP archive. This will compress the data in addition to providing password protection. The institution must telephone Toyoko Woodard with the password at (404) 974-9448. If the documentation is mailed, the institution must only submit the last 4 numbers of the student's social security number.

Results of the full file review must be included in PTC's response to this report. Please contact Toyoko Woodard for detailed instructions regarding the excel format required before submission. PTC's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future.

Finding 12: Satisfactory Academic Progress (SAP) Policy & Procedures are Inadequate

Citation:

34 C.F.R. § 668.34 states, an institution must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the Title IV, HEA programs. The Secretary considers the institution's policy to be reasonable if—

The policy is at least as strict as the policy the institution applies to a student who is not receiving assistance under the Title IV, HEA programs;

The policy provides for consistent application of standards to all students within categories of students, *e.g.,* full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution;

The policy provides that a student's academic progress is evaluated if the institution has established —

(i) A qualitative component which consists of grades (provided that the standards meet or exceed the requirements of §668.34), work projects completed, or comparable factors that are measurable against a norm.

(ii) A quantitative component that consists of a maximum timeframe in which a student must complete his or her educational program. The timeframe must—

- For an undergraduate program, be no longer than 150 percent of the published length of the educational program measured in academic years, terms, credit hours attempted, clock hours completed, etc. as appropriate;

- Be divided into increments, not to exceed the lesser of one academic year or one-half the published length of the educational program;

- Include a schedule established by the institution designating the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete his or her educational program within the maximum timeframe; and

- Include specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress;

An institution's SAP policy must contain appeals procedures through which a student may appeal a determination that he or she is not meeting SAP standards. A school may permit appeals of adverse determinations for mitigating circumstances. If so, the written

SAP policy must explain mitigating circumstances and appeals procedures. When an institution approves an appeal for mitigating circumstances it suspends SAP standards for that student. You are not eliminating or disregarding one or more grades credits attempted in the calculation of a student's SAP. The student's permanent academic record is not modified.

So, when you grant an appeal, you are acknowledging that, because of the documented unusual circumstance, the student continues to be eligible even though he or she falls below the school's SAP standard. An institutions SAP policy must also have a written procedure that contains specific procedures through which a student can reestablish SAP.

Pursuant to 34 C.F.R. § 668.32, of the General Provisions regulations a student must maintain satisfactory progress in his or her course of study according to the institution's published standards of satisfactory academic progress that satisfy the provisions of Section 668.16(e). Federal regulations require an institution to consistently apply its SAP standards to all students within categories of students (i.e., full-time, part-time, undergraduate and graduate students, and educational programs established by the institution). The school must determine, prior to disbursing Title IV funds, if a student is meeting satisfactory progress standards.

Noncompliance:

PTC's SAP policy is inadequate and does not meet the minimum qualitative and quantitative requirements to monitor academic progress.

The institution's SAP policy indicates that that SAP progress is evaluated at the 25%, 50%, 75% and 100% points. PTC specifically used the following example, "if attending a 600 clock hour program, the 25% will be 150 hours attended, 50% will be 300 clock hours attended, 75% will be 450 clock hours attended and 100% will be 600 clock hours attended". PTC states that a student is considered to be making satisfactory academic progress if their grade average at each of these points is 70% or 2.0 GPA.

An institution must have measures to not only evaluate qualitative and quantitative progress they must also be evaluated separately therefore a student cannot be making SAP if they have an average of "70% <u>or</u> 2.0 GPA", they must meet both qualitative and quantitative measures.

Required Action:

PTC must correct and expand its SAP Policy to include all of the above required elements and eliminate the discrepancies identified. The Institution must also ensure that the policies are clearly identified and consistently applied to all students.
The Institution's revised policies and procedures must be immediately implemented for SAP monitoring to ensure compliance for the current award year and beyond.

The college must notify all current and prospective students as well as Faculty and staff responsible for monitoring SAP of changes to its SAP standards and how those changes may impact one's course load. A copy of the revised SAP policy and procedures for monitoring it must be submitted to this office in response to this report.

The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future. Payment instructions for any determined liability will be provided in the Final Program Review Determination letter.

Finding 13: Satisfactory Academic Progress (SAP) Not Adequately Monitored

Citation:

Pursuant to 34 C.F.R. § 668.32 of the General Provisions regulations a student must maintain satisfactory progress in his or her course of study according to the institution's published standards of satisfactory academic progress that satisfy the provisions of Section 668.16(e). Federal regulations require an institution to consistently apply its SAP standards to all students within categories of students (i.e. full-time, part-time, undergraduate and graduate students, and educational programs established by institution). The school must determine, prior to disbursing Title IV funds, if a student is meeting satisfactory progress standards.

Noncompliance:

PTC's SAP policy is inadequate and does not meet the minimum qualitative and quantitative requirements to monitor academic progress. As a result, students at PTC potentially received Title IV funds that that they were not entitled to due to not meeting the minimum satisfactory academic progress requirements.

Required Action:

PTC must conduct a file review of all Title IV recipients who received a second Title IV disbursement for the 2010-2011, 2011-2012 and the current award years to determine if PTC properly applied the *Standards of Academic Progress*. The purpose is to determine those students who obtained Title IV funds for terms in which the student should have been on Academic Suspension and thus should not have received such funds.

The results of the file review must be forwarded to this office in an electronic spreadsheet format with the following information:

- Student Name (First and Last), SSN (Last 4 digits only)
- Payment Period in Question
- Previous Academic Progress Status (i.e. Probation, Suspension, etc.)
- Correct Academic Progress Status

- Amount of Ineligible Title IV funds by Program

The institution must provide a copy of each student's academic transcript and account ledger for those students who received Title IV funds during a period when the student should have been on Academic Suspension.

The Institution's revised policies and procedures must be immediately implemented for SAP monitoring to ensure compliance for the 2012-2013 award year and beyond. The college must notify all current and prospective students as well as Faculty and staff responsible for monitoring SAP of changes to its SAP standards and how those changes may impact one's course load.

The Institution must engage an independent Public Accountant (IPA) to test the file review completed by the Institution. The IPA must develop a set of procedures designed for testing the accuracy and completeness of the file review. The suggested procedures must be provided to Toyoko Woodard within 30 days of the institution's receipt of the Program Review Report. Ms. Woodard will review the procedures, indicate if any changes are needed, and approve the procedures.

The IPA must apply the Agreed upon Procedures to test the file review(s) completed by Institution, and prepare a report including any exceptions noted during its testing. The exceptions must be detailed and identified. Exceptions must be reported for all file review elements as specified in the finding requirement as presented in the Program Review Report. The IPA must prepare the report in accordance with AICPA Attestations Standards. The IPA's report must be submitted with Institution's response to this Program Review Report.

If PTC submits the data electronically, the institution must place the files in a password protected WINZIP archive. This will compress the data in addition to providing password protection. The institution must telephone Toyoko Woodard with the password at (404) 974-9448. If the documentation is mailed, the institution must only submit the last 4 numbers of the student's social security number.

Results of the full file review must be included in PTC's response to this report. Please contact Toyoko Woodard for detailed instructions regarding the excel format required before submission.

Finding 14: Unclear Audit Trail – Student Ledgers

Citation:

34 C.F.R. § 668.24, states that a school must keep a comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be overemphasized. Program and fiscal records must demonstrate the school is capable of meeting the administrative and fiscal

requirements for participating in the FSA programs. In addition, records must demonstrate proper administration of FSA program funds and must show a clear audit trail for FSA program expenditures.

Furthermore, the Blue Book, Chapter 7, page 1, states a school must keep comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be overemphasized. Program and fiscal records must demonstrate the school is capable of meeting the administrative and fiscal requirements for participating in the FSA programs. In addition, records must demonstrate proper administration of FSA program funds and must show a clear audit trail for FSA program expenditures. For example, records for each FSA recipient must clearly show that the student was eligible for the funds received, and that the funds were disbursed in accordance with program regulations.

The Blue Book, Chapter 11, page 3, states your accounting records and systems for Title IV funds must provide a clear audit trail that makes it possible to trace all federal cash from drawdown to its final destination. An audit trail, whether in a manual system, an automated system, or a combination of systems includes the accounting record of a transaction and all the documentation that supports each transaction.

Noncompliance:

The institution's student account ledgers are not clear. Several transactions are listed out of chronological order and several transactions, including Title IV disbursements, WIA disbursements and credit balances were not posted. For example,

Student #3: This student received WIA funds according to the student account ledger; however, these funds were not included on the award letter. PTC was unable to provide any information to confirm the total amount of WIA funds received for this student.

Student #16: The reviewers received a copy of a cancelled credit balance check dated 4/10/12 for $199 for this student; however, there was no indication of this transaction on the student's account ledger.

Student #18: The reviewers received a copy of a cancelled credit balance check dated 4/27/12 for $242 for this student; however, there was no indication of this transaction on the student's account ledger.

This makes the tracking of credit balances, charges for each applicable payment period, and refunds very difficult to decipher.

Required Action:

When student account ledgers are not clear, credit balances cannot be identified, and students may not receive funds for indirect costs of education.

The institution must revise its student account ledgers and enter all transactions in chronological order. The school must be able to adequately track credit balances by payment period and determine if credit balances are due and paid to students timely.

PTC must review all students selected in the sample and make the applicable corrections to all the student account ledgers to ensure all transactions have been posted correctly and in chronological order.

Copies of the corrected student account ledgers for the sampled students must be submitted with the response to this report. PTC's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 15: No Subsidiary Ledger for Holding Credit Balances

Citation:

If an institution holds excess student funds, the institution must;

- Identify the amount of funds the institution holds for each student or parent in a subsidiary ledger account designed for that purpose;
- Maintain, at all times, cash in its bank account in an amount at least equal to the amount of funds the institution holds for the student; and
- Pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV, HEA program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R.§668.165

Noncompliance:

The institution failed to maintain a separate subsidiary ledger account for retaining Title IV credit balances and several instances where noted where there were overdraft fees and non-sufficient funds for credit balances that included:

- A credit balance check #1128 was submitted to PTC's bank on 5/4/12 for $3,652 but returned due to non-sufficient funds. As a result, PTC was assessed an NSF fee for $35. This check eventually cleared on 5/22/12.

- A credit balance check #1145 was submitted to PTC's bank on 7/9/12 for $199; however, the bank statement indicates that the institution did not have sufficient funds to cover the check amount. As a result, PTC was assessed an overdraft fee of $35.

- A credit balance check #1029 was submitted to PTC's bank on 11/3/11 for $777; however, the bank statement indicates that the institution did not have sufficient funds to cover the check amount. As a result, PTC was assessed an overdraft fee of $35.

Required Action:

Federal regulations require that an institution to maintain a subsidiary ledger account for retaining Title IV credit balances. If the institution plans to keep holding Title IV, HEA credit balances, the institution must establish and maintain a subsidiary ledger account. In addition, PTC must maintain, at all times, cash in its bank account in an amount at least equal to the amount of funds the institution holds for the student.

A copy of the subsidiary ledger must be submitted with your response to this finding. The institution's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future.

Finding 16: Separation of Duties Inadequate

Citation:

An institution must divide the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to any particular students aided under the program. The two functions must be carried out by at least two organizationally independent individuals who are not members of the same family or who do not together exercise substantial control over the institution.
34 C.F.R. § 668.16(c)

Noncompliance:

PTC failed to demonstrate a clear separation of duties. In addition to having a well-organized financial aid office staffed by qualified personnel, a school must ensure that its administrative procedures for the Title IV programs include an adequate system of internal checks and balances. This system, at a minimum, must separate the functions of authorizing payment and disbursing or delivering funds so that no one person or office exercises both functions for any student receiving Title IV funds.

While onsite the reviewers could not determine how the institution's functions of authorizing payments and disbursing or delivering funds were divided. During the review, it was readily apparent to the reviewers that Ms. Romero-Tejeda carried out all functions or very closely assisted with all functions, thus preventing any separation of duties. PTC agreed that the separation of duties was unclear and as a result began implementing organizational changes with their staff members and administration.

Required Action:

While onsite PTC made some administrative changes that included Ms. Romero-Tejeda resigning as the financial aid director and becoming the new replacement for the business manager. The current financial aid assistant is now the new financial aid director. In addition, PTC advised that they reorganized the specific functions of these two positions to ensure that there was a clear separation of duties.

In response to this finding PTC must provide the updated job descriptions and functions for the financial aid director and business manager positions. PTC's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 17: Inadequate Internal Control/Impaired Administrative Capability

Citation:

To continue participation in any Title IV, HEA program, an institution must demonstrate that it is capable of adequately administering that program under standards established by the Secretary. The Secretary considers an institution to have that administrative capability if it establishes and maintain student financial records required under 34 C.F.R. Part 668 and the individual Title IV, HEA program regulations. 34 C.F.R. § 668.16

An institution does not comply with the reserve standard under 34 C.F.R. § 668.173(a)(3) if, in a compliance audit conducted under 34 C.F.R.§ 668.23, an audit conducted by the Office of the Inspector General, or a program review conducted by the Department or guaranty agency, the auditor or reviewer find a material weakness or reportable condition in the institution's report on internal controls relating to the return of unearned Title IV, HEA program funds.

Noncompliance:

Some of the serious findings which are included but not limited to in this report are:

- Separation of Duties are Inadequate
- Credit Balances Not Made
- No Subsidiary Ledger for Holding Credit Balances
- Incorrect R2T4s
- R2T4s Made Late and Not Made

- Unclear Audit Trails

This strongly indicates that PTC has a lack of internal controls and impaired administrative capability.

In addition, the reviewers noticed there were two transactions in the bank account named Student Funds where overdraft fees were assessed. These transactions included the amounts of $4,798 and $685.96 that were for refunds to be sent back to the Department on 8/23/12. The bank statement indicates that the institution did not have sufficient funds to cover these transactions and as a result PTC obtained overdraft fees totaling $70 for both transactions. PTC subsequently deposited funds into the insufficient account later that day to rectify the deficient negative balance on the account.

Required Action:

Schools have a fiduciary responsibility to segregate federal funds from all other funds and to ensure that federal funds are used only for the benefit of eligible students. Absent a separate bank account, the school must ensure that its accounting records clearly reflect that it segregates Title IV funds.

PTC must keep comprehensive, accurate program and fiscal records related to its use of Title IV program funds. The importance of maintaining complete and accurate records cannot be overemphasized. Program and fiscal records must demonstrate that the school is capable of meeting the administrative and fiscal requirements for participating in the Title IV programs.

In addition, PTC must provide policies and procedures to ensure that the school is capable of meeting the administrative and fiscal requirements for participating in the Title IV programs. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

D. Appendices

Appendix A (Student Sample) contain personally identifiable information and will be emailed to PTC as an encrypted WinZip file upon request using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendix: C Institution's Written Response

May 20, 2013

Toyoko Woodard
Federal Student Aid
Atlanta School Participation Division
61 Forsyth Street, SW
Suite 18T40
Atlanta, GA 30303

RE: Response to Program Review Report
OPE ID: 041768-00
PRCN: 2012-4-04-280630

Dear Ms. Woodard,

Attached is our response to your program review report. We would like to thank you for your patience, guidance and support throughout this process. In addition to a paper response and in accordance to your instructions we are also providing you with a "jump drive" with our response in electronic format. The electronic version of this response is in PDF format and is bookmarked.

In December 2012 Progressive Training Centers was sold by Yvonne Silva to Eliseo Justiniani and a change of ownership application is pending with the DOE. The new owner is dedicated to resolving the issues noted in the program review and undertook an extensive review of the school's records to develop this response. We look forward to working with you in finalizing the program review. Below is our response to each finding.

Finding 1: Verification Discrepancy - The Institution agrees with this finding

PTC made the appropriate verification corrections for student number 22, 23, and 28. The Institution recalculated the student's EFC for 2011-2012 including the Making Work Pay credit and noted that the new EFC remained the same for students 23 and 28. For student number 22 the EFC increased to make the student ineligible for Pell.

See Exhibit - Finding 1-1: EFC Worksheets. Student 22 requires that $158 of the Pell award (the student's entire award) be refunded.

In addition, attached see Exhibit - Finding 1-2: Policies and procedures to resolve applicant verification discrepancies.

98 E. McNab Rd., Suite 98, Pompano Beach, FL 33060
Tel: (954) 946-2022 / (954) 946-2023 | Fax: (954) 946-2021 | Email: progressivetraining@hotmail.com

Finding 2: Credit Balance Made Late or Not Made – The Institution agrees with this finding

Student 3: The school wrote a check to the student on 4/27/12 for $502 that went un-cashed. On March 22, 2013, the school reissued the check to the student (ck#1218) which was subsequently cashed by the student on March 22, 2013.

See Exhibit - Finding 2-1: Written and cashed check.

Student 12: We agree with this finding and in light of the finding noted during your audit, the Institution has implemented a policy which stipulates that no credit balances will be held.

See Exhibit – Finding 2-2: Credit balance policy.

Student 26: We agree with this finding and in light of the finding noted during your audit, the Institution has implemented a policy which stipulates that no credit balances will be held.

See Exhibit – Finding 2-2: Credit balance policy.

Student 27: We agree with this finding and in light of the finding noted during your audit, the Institution has implemented a policy which stipulates that no credit balances will be held.

See Exhibit – Finding 2-2: Credit balance policy.

As of part PTC's diligence to implement its policy of no longer holding credit balances, PTC reviewed the ledger cards of each Title IV recipient and found that PTC is no longer holding credit balances for any Title IV recipient.

Finding 3: Invalid and/or lack of GED/High School Diploma

Student 19 – The student provided a high school diploma from Home Studies along with a detailed transcript of grades by subject supporting her diploma when the student enrolled at PTC on June 6, 2011. The program reviewer rightfully indicated that the high school diploma was unacceptable due to its inclusion on a diploma mill list. PTC recognizes that Home Studies is no longer considered a valid high school as of August 9, 2010, the effective date the high school was placed on the list. PTC recognized that the high school diploma presented by the student was earned on September 11, 1998, prior to inclusion on the list, and had no reason to believe her diploma was inappropriate. Moreover, PTC notes that the student benefited from the program and went on to graduate and earn her diploma from the Hemodialysis Technician Program with a 3.78 GPA.

See Exhibit – Finding 3-1: Student's High school diploma and transcript and PTC Transcript (Pages 1-3).

Student 15 – The program reviewer inadvertently noted that the student attended Islington High School. Documentation in the student's file indicates that student actually attended and graduated from Dillard High School in Broward County.

See Exhibit - Finding 3-1: Student's high school diploma (Page 4).

Student 1 – A review of the student's file indicated that PTC was provided an attestation declaration by the student affirming that she attended and graduated from Lake Wales High School. In addition, the student affirmed on the FAFSA that she completed and earned a high school diploma. While the student was unable to provide a high school diploma for our records, the student noted via several sources that she was a high school graduate.

Moreover, PTC noted that the student benefited from the program and went on to graduate.

See Exhibit – Finding 3-1: Student's PTC diploma (Page 5)

In addition, PTC revised its policies pertaining to diploma mills. Enclosed please find Exhibit – Finding 3-2: Policy regarding high school diploma mills

Finding 4: Inaccurate/Unsupported Attendance Records & Academic Transcripts

Yvonne Silva is currently working with the IPA to conclude the response to this finding.

Finding 5: Exit Counseling Deficiencies

Exit counseling materials were mailed to students 22 and 29 to their last known address via US mail service with certified return receipt and student 29 was also emailed information to her.

See Exhibit – Finding 5-1: Exit counseling materials mailed to student 22 and 29

In addition, PTC updated its policies and procedures for conducting Entrance and Exit Counseling to ensure future compliance with this requirement.

See Exhibit – Finding 5-2: Policy and Procedures for Conducting Entrance and Exit Counseling

Finding 6: Inadequate & Incomplete Professional Judgment

Student 13 – See Exhibit – Finding 6-1: Professional judgment and the supporting documentation supporting the adjustment.

See Exhibit – Finding 6-2 - Updated policies and procedures in processing Professional Judgments.

Finding 7: Inaccurately Reporting Information to COD

Student 10 – Reporting the student as incarcerated was a typing input error. PTC revised the student's file and removed the reference to incarceration.

See Exhibit – Finding 7-1 (page 1): Revised student's origination record.

Inaccurate COD Disbursement Dates

Student 10, 14, and 23: The program reviewer noted that disbursement dates were incorrectly reported to COD. Upon review of the disbursement data, PTC noted that disbursement data was reported to COD correctly, but the date utilized to post the disbursement to the student ledger was incorrect, with the accountant utilizing the deposit date the funds actually were deposited into the bank account for the most part. Just a couple of days separate the COD date with the ledger disbursement date. PTC revised the student's ledger to record the disbursement date per COD. As part of PTC's response to finding 14 PTC reviewed all the student ledgers and noted that other student disbursement dates did not agree with the COD disbursement date by a couple of days. PTC corrected these dates a well.

See Exhibit – Finding 7-1 (page 2-4) for a revised student ledger for students 10, 14, and 23.

Finding 8: Return of Title IV (R2T4) Not Made/Made Late

Student 21: PTC agrees with this finding. As a result of our funds being temporarily suspended due to the change of ownership, PTC does not have access to G5 to perform the refunds. PTC will await the final program review report for further instructions.

Student 22: PTC agrees with this finding. As a result of our funds being temporarily suspended due to the change of ownership, PTC does not have access to G5 to perform the refunds. PTC will await the final program review report for further instructions.

In addition, PTC performed a file review of dropped students to ensure no other refunds were due. The file review indicated that additional refunds in the amount of $12,515.31 are due to the USDOE.

See Exhibit - Finding SOL: Summary of Liabilities

PTC has taken steps to ensure a repeat finding will not occur. The school recently went under a change of ownership and has infused funds into the institution to ensure the institution has sufficient funds to make all refunds and pay debts timely. The financial aid officer that was promoted to director has been retained and is tasked with performing the R2T4s of all students each Friday per a list provided by the registrar of the school. Also, a full time Bursar was hired to support the refund process and ensure all refunds are done timely and calculated accurately. Performing refund calculations weekly and having a second person review each calculation as a standard operating procedure will ensure all refunds are done timely and accurately.

Finding 9: Return of Title IV (2T4) Date of Determination Not Calculated Within 30 Day Timeframe

PTC has taken steps to ensure a repeat finding will not occur. The financial aid officer that was promoted to director has been retained and is tasked with performing the R2T4s of all students each Friday per a list provided by the registrar of the school. Also, a full time Bursar was hired to support the refund process and ensure all refunds are done timely and calculated accurately. Performing refund calculations weekly and having a second person review each calculation as a standard operating procedure will ensure all refunds are done timely and accurately.

Ultimately Students 2 and 9 did not require notifications since they were pell only recipients and no pell over award were present.

Finding 10: Inadequate Monitoring of Leave of Absences (LOA)

After careful consideration it is PTC's policy to no longer offer leave of absences (LOA) for our students. Should a student need a leave, the student will be dropped from the school and when ready may re-enroll into the Institution at the next available start date. Upon dropping, a return of Title IV calculation will be performed and his unearned monies returned. Should the student decide to'return, the student will be given credit for all passed courses and will begin at the appropriate level in the program.

See Exhibit - Finding 10-1: Revised Leave of Absence policy indicating that leave of absence is no longer offered by the Institution.

Finding 11: Cost of Attendance (COA) Not Established

Student 1: On 10/18/12 the student received a check in the amount of $1,446.25 from Workforce for the monies expected. This student is now paid in full.

See Exhibit – FINDING 11-3: CHERYL HYLTON WF PAYM

Student 3: PTC revised the award and the budget.

See Exhibit – Finding 11-4: Student's award letter and budget

Student 21: PTC performed a review of the student's file and obtained a complete listing from Workforce of payments made to PTC on behalf of students and found that this student was not paid these monies.

PTC completed a full file review for all students who received Title IV funds and included budgets in Exhibit – FINDING 11-1 (2010-2011) AND FINDING 11-2 (2011-2012) for each student for the 2010-2011 and 2011-2012 award years. Each budget worksheet includes the EFC and a breakdown of all aid awarded, including WIA. Upon the performing the full file, PTC noted that no students were determined to be over awarded.

PTC requested and received an official documentation from WorkForce One Broward County.

See Exhibit – Finding 11-5: Official documentation from Workforce One Broward County that includes all Workforce Investment Act (WIA)/Workforce Development disbursements made on behalf of students enrolled at PTC from June 2010 until present.

Please note that the official documentation did not always include the student's name. In those instances that the student's name was not included PTC included the student's name for your ease of reference.

Per the instructions of the program reviewer PTC engaged an independent Public Accountant (IPA) to test the file review completed by PTC. The IPA applied Agreed upon Procedures to test the file review and prepared a report that is attached to this response at Exhibit – Finding 11-6. The IPA prepared the report in accordance with the AICPA Attestation Standards.

To ensure a repeat of this finding does not occur in the future and WIA monies are not omitted from the budgets PTC implemented new operating procedures for all students. The new procedures require that all students, including WIA students must see a financial aid counselor on their initial visit to the school. The financial aid counselor will inquire if the student is WIA eligible and in fact if WIA is expected to give them a voucher for studies at the school. The financial aid staff is then required to communicate with WIA and begin the voucher process directly with them. Once WIA approves the student and issues a voucher, the financial aid staff will revise the award letter (if one has already been produced) to include WIA funds and adjust any other aid as requested by the student and to avoid a potential over award situation.

Finding 12: Satisfactory Academic Progress (SAP) Policy & Procedures are Inadequate

PTC revised its SAP policy to include all the required elements of a SAP policy.
See Exhibit – Finding 12-1: SAP policy.

To notify current and prospective students as well as Faculty and staff and to ensure a repeat finding will not occur in the future PTC published its SAP policy in a revised school catalog. PTC also provided each faculty with a copy of the current policy and required that it be discussed in each class.

To ensure a repeat finding would not occur in the future, PTC revised its SAP policy and published it in the school's catalog. The SAP will be measured by the registrar at each payment period.

Finding 13: Satisfactory Academic Progress (SAP) Not Adequately Monitored

(Pending finalization of Finding 4)

In accordance with the instructions of the program review report, PTC conducted a file review of all Title IV recipients who received a second Title IV disbursement for the 2010-2011, 2011-2012 and the current award year to determine if PTC properly applied the Standards of Academic Progress.

As a result of the file review, PTC noted that two students received ineligible disbursements as a result of receiving Title IV funds without reaching the next payment period. The Institution did not find students who received Title IV funds during a period when the student should have been on Academic Suspension. Please note that since the transcripts have not been audited by our IPA due to the transcripts needed for Finding 4, these results, although not expected to change, may change as a result of completing Finding 4. The findings noted in this response is our work product based on preliminary transcripts and our desire to respond as quickly as possible with the best information available.

See Exhibit – Finding 13-1: Result of File Review

In addition, the Institution revised its policies and procedures and immediately implemented the SAP monitoring to ensure compliance for the 2012-2013 award year and beyond. The revised SAP policy was published in the Institution's catalog and provided to teachers to discuss with students to ensure that current and prospective students are aware of the revised SAP policy and its impact.

In accordance with the instructions of the program review report, the Institution engaged an IPA to test the file review completed by the Institution. The IPA was not able to complete the testing of the file review as of the date of this response pending resolution of Finding 4.

Finding 14: Unclear Audit Trail/Ledger needs to print ledgers

Student #3: PTC revised the student's award letter and budget to include the WIA funds. This student was also noted on finding 11. See Exhibit: 11-4: Award letter and Budget

Student #16: The student's ledger was revised to include the refund of $199.
See Exhibit – Finding 14-1: Revised ledger

Student #18: The student's ledger was revised to include the refund of $242.
See Exhibit – Finding 14-2: Revised ledger

In accordance with the instructions on the program review report, PTC revised all its student account ledgers to ensure all the transactions are properly documented. The transactions are organized first by payment period, the chronologically by the payment period.

Copies of the corrected student account ledgers for the sample students are included with this response.

See Exhibit – Finding 14-3: Revised student ledgers

To ensure this finding is not repeated PTC has taken several steps. PTC developed a set of checks and balances to ensure that all data necessary is captured on the student's ledger. Once a student is enrolled at the school, the Bursar initiates the student ledger and includes the appropriate charges for the first payment period. Prior to initiating a payment for Title IV monies, the financial aid office reviews the student file, including the ledger to ensure the student is properly enrolled. Once a batch of Title IV funds are requested, a list is provided to the Bursar department and posted to the student's ledger by the Bursar utilizing the date disbursed per COD. Once the ledgers are posted, the batch is provided to the accounting department to post the monies to the accounting system once the monies are received in the bank.

The ledgers are reviewed weekly by the Bursar to ensure the student does not have a credit balance that must be paid. During the weekly reviews any mis-postings or missing data will be investigated.

For Cash paying students and WorkForce monies checks and cash are received by the receptionist. The receptionist accepts the funds and provides the student with a receipt for the payment. The day's money is then accumulated and provided to the accountant for processing and deposit. A carbon copy of the day's receipts are then provided to the Bursar for posting to the student's ledger.

Ledger cards are available for review by the student at any and are required to be reviewed by the Bursar and Financial aid departments before a student can be graduated.

Finding 15: <u>No subsidiary ledger for Holding Credit Balances</u>

The program reviewer sited three transactions of credit balance checks to students that had been submitted to the bank, but the bank had charged the school a $35 overdraft fee. PTC noted that the transactions for $3,652 submitted to bank on 5/4/12 and cleared on 5/22/12 and $777 submitted to the bank on 11/3/11 and cleared 11/3/11 were both for the same student. PTC reviewed the student's ledger and noted that both credit balances were created by Non-Title IV funds. Regarding the check for $777 PTC had sufficient funds in its operating account to cover the check and transferred enough funds on 11/4/12 to cover the check.

The other transaction was for $199, was a Title IV credit balance and was submitted and cleared to the bank on 7/9/12. The school noted that the check was written out of the student funds account and the school had sufficient funds in the operating account to cover the check and on the very next banking day, 7/10/12, PTC transferred sufficient funds into the student funds account to cover the check.

See Exhibit – Finding 15-1: Students Funds bank account statement for July 2012 showing a deposit from the operating account of $100 and the account statement for November 2011 showing a deposit from the operating account of $3,800.

Notwithstanding, after careful consideration PTC revised its policy so it is no longer PTC's policy to hold credit balances for students. Any title IV funds a student receives in excess of allowable charges will be provided to the student immediately, but no later than 14 days from the date the credit balance occurred.

To ensure that PTC is no longer holding any credit balances, PTC reviewed the student ledgers revised per finding 14 and its bank reconciliations and identified the following credit balances that were being held. PTC noted that there were no unpaid credit balances on the student ledger cards, but there were two credit balance payments to students that have gone un-cashed.

Below is a list of names, amounts and check numbers.

Student Name	Amount	Check # / Date
(b)(6); (b)(7(C)	856.75	1100 – DATED 1/11/12
	1681.50	1124 – DATED 04/10/12

PTC is unable to locate these students and would like to return these monies to the USDOE. Since PTC is currently unable to access G5 as a result of a change of ownership, PTC will await instructions on the final program review report as to the disposition of these funds.

Finding 16: Separation of Duties Inadequate

In Finding 14 we describe steps the school has taken to segregate duties and responsibilities of the Bursar and financial aid departments.

Since the program review changes have occurred at PTC. In December 2012 PTC was sold to a new owner and a change of ownership application is pending with the DOE. The new owner is dedicated to correcting the issues noted in the program review and has hired a team of knowledgeable individuals to review and respond to the program review. The previous owner is also working to assist the team with the response since Ms. Silva has the knowledge of what occurred during her ownership. In addition, Carmen Romero-Tejeda, the Business Office Manager during Ms. Silva's ownership is also assisting the team with the response; however, Ms. Romero-Tejeda is no longer with PTC. Ms. Romero-Tejeda was replaced as the Business Office Manager by Jo-Ann Perez.

The staffing employed by PTC ensures that no single person or office can authorize FSA awards and disburse the awarded funds. (See explanation at Finding 14)

Enclosed please see the following exhibits for the job descriptions of the financial aid director and Business Manager.

Exhibit - Finding 16-1: Job Description and functions for the financial aid director
Exhibit - Finding 16-2: Job Description and functions for the Business Manager

To ensure this will not occur in the future, PTC will maintain both business office and financial aid staff as well as the segregation of duties that have been established.

Moreover, PTC is interviewing third party servicers to supplement the compliance resources at the school to assist the school in processing financial aid funds and as a monitoring control to ensure our staff is performing their duties properly.

Ensuring staff is properly trained at PTC is of great importance to PTC. Jo-Ann Perez, Bursar and Nancy Liriano, financial aid director have completed self-paced training courses and Nancy Liriano has signed up for the four day Title IV training program.

See Exhibit – Finding 16-3: Training Course Completion certificates for Jo-Ann and Nancy.

Finding 17: Inadequate Internal Control/Impaired Administrative Capability

PTC takes its fiduciary responsibility and its administrative capabilities very seriously. Mr. Justiniani, the new owner has taken decisive corrective action as noted throughout our response to the program review. Mr. Justiniani is committed to the institution, to its students and in keeping comprehensive and complete and accurate records. PTC has implemented procedure changes to ensure proper accounting is maintained and training of personnel is part of our staff's written duties.

During our preparation of the program review response, we noted some of the same issues Ms. Woodard saw during her program review. Each time we noted a compliance issue, we disclosed it to you in our response and created corrective actions to ensure they will not occur.
Also, to enhance PTC's compliance capability, PTC is interviewing and is hiring a third party financial aid servicer to assist the school in processing financial aid funds and as a monitoring control to ensure our staff is performing their duties properly. The third party servicer will be an extra set of eyes for our compliance and ensure that PTC is maintaining a proper set of books for our Title IV funds.

In addition, PTC retained Ivan Labrador as its auditor for its compliance and financial audits. Mr. Labrador has over 20 years of specific Title IV audit experience and will ensure that compliance issues, if any, will be noted on our compliance audits.

PTC, under the direction of Mr. Justiniani has revised its policies and procedures manual. PTC noted the changes throughout the program review response. Some of the policies modified were Verification, Holding Credit Balances, Leave of Absence, High School Diploma Verification, Entrance/Exit Interviews, and SAP Policy.

Other Matters

The new ownership of PTC performed a full reconciliation of Title IV funds for the 2010-2011, 2011-2012, and 2012-2013 award years and noted the following issues to resolve. PTC was able to account for each Title IV dollar processed or pending.

2012-2013 PELL	
($1573.00)	(b)(6); (b)(7(C) – Per finding 8: Pending refund*
$1,573.00	(b)(6); (b)(7(C) – Monies reported to COD but not drawn from G5
2012-2013 LOAN	
$396	(b)(6); (b)(7(C) – Monies reported to COD but not drawn from G5
$3,151	Monies drawn from 2012-2013 loan fund in error. Must be transferred to the 2011-2012 Loan fund

2011-2012 PELL	
$2,775	The Institution drew funds on Jamar Butts and has his disbursement sitting as batched per our system.
(605.84)	(b)(6); (b)(7(C) – Per finding 8: Pending refund*

(773.44)	(b)(6); (b)(7(C)	Per finding 8: Pending refund*
(2,004.00)		- Per finding 8: Pending refund*
(1,108.03)		e - Per finding 8: Pending refund*
2011-2012 LOAN		
$50.00	Over refunded monies to DOE on 8/27/12	
$3,151.00	Monies drawn from 2012-2013 loan fund in error. Must be transferred to the 2011-2012 Loan fund: Student Anderson	
($1,692.00)	Refund due for (b)(6); (b)(7(C) (6/6/12)*	
($9,950.00)	Refunds batched to COD, but not accepted due to school stoppage of Title IV funding pending the change of ownership.* (b)(6); (b)(7(C) (b)(6); (b)(7(C)	
	***See Exhibit – SOL: Summary of Liabilities for a detailed breakdown**	

As part of the response PTC summarized the liabilities the institution noted during its review. The Summary of Liabilities includes amounts due for students noted during the program review AND amount due for students noted by PTC as a result of the file reviews conducted in response to the program review.

See Exhibit – <u>SOL</u>: Summary of Liabilities for a comprehensive list of liabilities that

Progressive Training Centers is a proud member of its community and we look forward to working with the DOE to resolve the issues noted during your program review.

Sincerely yours,

(b)(6); (b)(7(C)

Eliseo Justiniani
President

July 9, 2013

Toyoko Woodard
Federal Student Aid
Atlanta School Participation Division
61 Forsyth Street, SW
Suite 18T40
Atlanta, GA 30303

RE: Response to Program Review Report (Finding 4 and 13)
OPE ID: 041768-00
PRCN: 2012-4-04-280630

Dear Ms. Woodard,

Attached is our response to Findings 4 and 13 (as updated from our May 20, 2013 response) of your program review report. In addition, included with our package is a "USB drive" with an electronic copy of the response together with exhibits. We would like to thank you for your patience, guidance and support throughout this process.

In December 2012 Progressive Training Centers was sold by Yvonne Silva to Eliseo Justiniani and a change of ownership application is pending with the DOE. The new owner is dedicated to resolving the issues noted in the program review and undertook an extensive review of the school's records to develop this response. Per a division of work agreed to my Mr. Justiniani and Ms. Silva, Ms. Silva was to work with the new ownership in the response to findings 4 and 13 and the new ownership worked to prepare a response to all the other findings. However, Ms. Silva did not complete her tasks as promised and as a result findings 4 and 13 were not included in the original response of May 20 to you.

To correct the deficiencies left behind by Ms. Silva, Mr. Justiniani hired additional resources and completed the tasks of reviewing files and attendance and reported the findings below and to the IPA for his audit.

We look forward to working with you in finalizing the program review.

98 E. McNab Rd., Suite 98, Pompano Beach, FL 33060
Tel: (954) 946-2022 / (954) 946-2023 | Fax: (954) 946-2021 | Email: progressivetraining@hotmail.com

Finding 4: Inaccurate/Unsupported Attendance Records & Academic Transcripts

In accordance with the instructions in the program review report, PTC conducted a full file review and revised the academic transcripts for all Title IV recipients. The revised academic transcript includes the elements as indicated in the program review report.

The Institution also engaged an IPA to test the file review completed by the Institution in accordance with the agreed upon procedures and report thereon. The IPA issued a report.

See Exhibit – Finding 4-1 for the IPA report

See Exhibit - Finding 4-2 for a copy of all revised transcripts

While performing the file review, PTC noted similar issues to what the Program Reviewer noted during the audit. Specifically, PTC noted that attendance records did not always agree with the academic transcripts. For example, the attendance record would indicate the student graduated and completed 603 hours in a 600 hour program and the academic transcript shows 600 hours. In another example, the attendance record indicates a dropped student completed 70 hours and the academic transcript states they completed 69. A review of the attendance records indicated that those cases the attendance included ALL hours the student signed in and out for or punch the clock for, regardless of class times. The transcript only indicates the proper amount of hours attributed to the student for actual class time. In addition, the transcript also included hours for excused absences that were not greater than the 10% policy.

PTC understands the frustration you encountered with the previous ownership and in some cases the transcripts you are receiving now, you are receiving for the fourth time. Please be aware the academic transcripts submitted with this response were researched, agreed to class schedules, and supported by student data.

The results of the IPA noted the same discrepancies between the attendance records and the hours per the student's transcript.

We would like to point out that during our file review and the IPA audit of our file review, for the exception of the students reported to you per Finding 13 in our May 20, 2013 response, PTC did not find any students who were ineligible to receive the funds they received as a result of attendance or SAP.

While performing the file review and interviewing staff, the new owner of PTC discovered that many different methods were utilized to maintain attendance records. Under the previous ownership (Yvonne Silva) at one point the front desk was checking students in and out, at another point PTC was utilizing a time clock, and at some point students were signing in and out with the teacher. The new ownership discovered that the attendance was not maintained using proper controls and procedures. Upon performing the file review and noting the discrepancies in the attendance records, PTC, under the new ownership, immediately implemented a new attendance policy whereby only one method of taking attendance is utilized and the record keeping is centralized to one position. Attendance sheets were implemented for each class where the teacher is required to record, monitor and report attendance to the registrar on a weekly basis for each student. The change in attendance policy has been effective at eliminating the recording of excess hours on the attendance records.

Finding 13: Satisfactory Academic Progress (SAP) Not Adequately Monitored

In our initial response to your report on May 20, 2013 we stated the following:

In accordance with the instructions of the program review report, PTC conducted a file review of all Title IV recipients who received a second Title IV disbursement for the 2010-2011, 2011-2012 and the current award year to determine if PTC properly applied the Standards of Academic Progress.

As a result of the file review, PTC noted that two students received ineligible disbursements as a result of receiving Title IV funds without reaching the next payment period. The Institution did not find students who received Title IV funds during a period when the student should have been on Academic Suspension.

See Exhibit – Finding 13-1: Result of File Review (From the May 20, 2013 Response)

July 9, 2013 – Update:

The IPA has now completed the work on Finding 4 and Finding 13. The IPA performed the agreed upon procedures to test second/subsequent disbursements and did not find any additional ineligible second disbursements other than what PTC noted and reported per Exhibit 13-1.

In addition, the Institution revised its policies and procedures and immediately implemented the SAP monitoring to ensure compliance for the 2012-2013 award year and beyond. The revised SAP policy was published in the Institution's catalog and provided to teachers to discuss with students to ensure that current and prospective students are aware of the revised SAP policy and its impact. The revised SAP policy was provided as Exhibit 12-1 in the May 20, 2013 response to your program review.

See Exhibit – Finding 4-1 for the IPA report and results of his testing

We appreciate this opportunity to respond to your program review report. Progressive Training Centers is a proud member of its community and we look forward to working with the DOE to resolve the issues noted during your program review. Thank you.

Sincerely yours,

(b)(6); (b)(7(C)

[redacted]

President

Appendix: D
Cost of Funds Calculations

Late or Unmade Returns (Loans) - Cost of Funds

Name of Institution: Progressive Training Centers

Note: The withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

No.	Description/Name	Return Amount	Program	W/D Date	Institution Det Date	Return Paid Date	Return Due Date	Days Late	Days ED	Days Stud	Imputed CVFR	FFEL Interest	Special Allow	To ED	To Student
2	(b)(6); (b)(7(C)	$857.00	DL Unsub	01/11/12	01/11/12	02/19/13	2/25/2012	360			1.00%			$ 8.00	
2		$1,681.00	DL Unsub	04/10/12	04/10/12	02/19/13	5/25/2012	270			1.00%			$ 12.00	
8		$656.00	DL Sub	06/14/12	06/25/12	02/19/13	8/9/2012	194			1.00%			$ 3.00	
8		$1,692.00	DL Unsub	06/14/12	06/25/12	02/19/13	8/9/2012	194			1.00%			$ 9.00	
8		$1,162.00	DL Sub	11/08/11	05/08/12	02/19/13	6/22/2012	242			1.00%			$ 8.00	
8		$1,692.00	DL Unsub	06/02/12	06/25/12	02/19/13	8/9/2012	194			1.00%			$ 9.00	
8		$988.00	DL Sub	06/02/12	06/25/12	02/19/13	8/9/2012	194			1.00%			$ 5.00	
8		$2,098.00	DL Unsub	05/22/12	11/20/12	02/19/13	1/4/2013	46			1.00%			$ 3.00	
8		$2,357.00	DL Unsub	05/16/12	11/13/12	02/19/13	12/28/2012	53			1.00%			$ 3.00	

Total Principal	$ 13,183.00
Total DL Sub	$ 2,806.00
Total DL Unsub	$ 10,377.00
Total FFEL Sub	$ -
Total FFEL Unsub	$ -
Total DL PLUS	$ -
Total FFEL PLUS	$ -

To ED	To Student
$ 60.00	$ -
	$ 60.00

Late or Unmade Returns (Non-Loan) - Cost of Funds

Name of Institution: Progressive Training Centers

Note: the withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

No.	Description/Name	Return Amount	Program	W/D Date	Instituton Det Date	Return Paid Date	Return Due Date	Days Late	Imputed CVFR	Federal Share	To ED	To Inst Accounts
8	(b)(6); (b)(7(C)	$2,004.00	Pell Grant	06/11/12	6/26/2012	2/19/2013	08/10/12	193	1.00%	$ 2,004.00	$ 10.60	$ -
8		$1,108.00	Pell Grant	11/08/11	5/8/2012	2/19/2013	06/22/12	242	1.00%	$ 1,108.00	$ 7.35	$ -
8		$606.00	Pell Grant	03/28/12	4/11/2012	2/19/2013	05/26/12	269	1.00%	$ 606.00	$ 4.47	$ -
8		$773.00	Pell Grant	06/02/12	6/25/2012	2/19/2013	08/09/12	194	1.00%	$ 773.00	$ 4.11	$ -
8		$1,573.00	Pell Grant	07/24/12	8/20/2012	2/19/2013	10/04/12	138	1.00%	$ 1,573.00	$ 5.95	$ -

Total Returns	$ 6,064.00
Total Campus-Based	$ -
Totals By Program	
Pell Grant	$ 6,064.00
FSEOG	$ -
Perkins	$ -
ACG	$ -
SMART	$ -
TEACH	$ -
FSEOG-No Match	$ -
Perkins-No Match	$ -

	To ED	To Inst Accounts
Totals	$ 32.00	$ -

Interest Breakdown

	To ED	To Inst Accounts
Pell Grant	$ 32.00	$ -
FSEOG	$ -	$ -
Perkins	$ -	$ -
ACG	$ -	$ -
SMART	$ -	$ -
TEACH	$ -	$ -
FSEOG-No Match	$ -	$ -
Perkins-No Match	$ -	$ -

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: **Progressive Training Centers**

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Return Paid Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts
1	Student #22	$158.00	Pell Grant	6/4/2012	2/19/2013	260	1.00%	$ 158.00	$ 1.13	$ -
3	Student #1	$1,850.00	Pell Grant	7/14/2011	2/19/2013	586	1.00%	$ 1,850.00	$ 29.70	$ -
3	Student #1	$1,850.00	Pell Grant	9/30/2011	2/19/2013	508	1.00%	$ 1,850.00	$ 25.75	$ -
3	Student #19	$1,850.00	Pell Grant	6/9/2011	2/19/2013	621	1.00%	$ 1,850.00	$ 31.48	$ -
3	Student #19	$1,850.00	Pell Grant	9/23/2011	2/19/2013	515	1.00%	$ 1,850.00	$ 26.11	$ -
13	(b)(6); (b)(7(C)	$1,850.00	Pell Grant	8/10/2012	2/19/2013	193	1.00%	$ 1,850.00	$ 9.78	$ -
13		$1,295.00	Pell Grant	2/29/2012	2/19/2013	356	1.00%	$ 1,295.00	$ 12.63	$ -
[redacted]										

Total Ineligible $10,703.00

	To ED	To Inst Accounts
Totals	$ 137.00	$ -
ACA Liability		

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS	
Federal SEOG	
Federal Perkins	
Total C-B Spent	$ -
ACA Percentage	

	Total	Federal Share
Pell	$ 10,703.00	$ 10,703.00
ACG	$ -	$ -
SMART	$ -	$ -
TEACH	$ -	$ -
FWS	$ -	$ -
FSEOG	$ -	$ -
Perkins	$ -	$ -
FWS-50% Match	$ -	$ -
FWS-No Match	$ -	$ -
FSEOG-No Match	$ -	$ -

Interest Breakdown

Pell Grants	$ 137.00	$ -
ACG	$ -	$ -
SMART	$ -	$ -
TEACH	$ -	$ -
FWS	$ -	$ -
FSEOG	$ -	$ -
Perkins	$ -	$ -
FWS-50% Match	$ -	$ -
FWS-No Match	$ -	$ -
FSEOG-No Match	$ -	$ -
Perkins-No Match	$ -	$ -

ACA Breakdown

FWS	
FSEOG	
Perkins	
FWS-50% Match	
FWS-No Match	
FSEOG-No Match	

Perkins-No Match	$ -	$ -
Total Campus-Based	$ -	$ -

Perkins-No Match	

Appendix: E
Estimated Actual Loss
(EAL) Formula

Appendix [E] - Estimated Loss Formula

Estimated Loss Formula

9/16/2013

Enter Institution Name Progressive Training Centers

Select Institution Type Proprietary 2 Yrs or Less

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2011-2012	$ 2,000.00	14.10%	-16.20%	$ -
2	DL Subsidized	2011-2012	$ 1,166.00	14.10%	12.04%	$ 140.37
3	DL Subsidized	2011-2012	$ 987.00	14.10%	12.04%	$ 118.82
	Description		$ 4,153.00			$ 259.19
4						
5						
6						
	Description		$ -			$ -
7						
8						
9						
	Description		$ -			$ -
10						
11						
12						
	Description		$ -			$ -

Original Ineligible Loan Liability $ 4,153.00 **Total Estimated Loss** $ 259.19

Appendix [E] - Estimated Loss Formula

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.
The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (DSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS Loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

	A	B	C	D	E	F	G	H	I	J
	School CDR	Sector CDR*	Ratio **	*DSR* ***	Adjusted DSR	*OSR* ***	Avg Cons Year	Cons Prepay %	*Cons DSR* ***	*Cons OS* ***
1	14.10%	12.00%	1.18	*4.47%*	5.27%	*-23.23%*	2019	23.7%	*3.07%*	*4.34%*
2	14.10%	12.00%	1.18	*0.94%*	1.11%	*7.94%*	2019	21.1%	*2.71%*	*11.46%*
3	14.10%	12.00%	1.18	*0.94%*	1.11%	*7.94%*	2019	21.1%	*2.71%*	*11.46%*
4										
5										
6										
7										
8										
9										
10										
11										
12										

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), [A/B = C] against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of these Stafford and PLUS Loans (I & J).
The total subsidy rate for the ineligible Stafford and PLUS Loans is ((E+F) + ((I+J) x H)).
The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.

Appendix E

The Estimated Actual Loss Formula (EALF) is used for only certain types of findings on ineligible FFEL and Direct Loan liabilities. The EALF estimates (1) the principal amount that has or will default; and (2) the interest and special allowance on the entire ineligible loan amount.

The EALF uses an institution's applicable cohort default rate (CDR) to estimate the amount of defaults from the ineligible principal amount. This is usually the institution's latest published CDR. Draft CDRs are not used unless there is no prior CDR.

Example:		
	Ineligible Principal Loan Amount	$100,000
	Cohort Default Rate	10.0%
	Estimated Default Amount Due	$ 10,000

The EALF calculates interest and special allowance (SA), where applicable, on the entire amount of ineligible loan principal. The number of days used to calculate interest and special allowance is based on average historical data for various time periods for different types of schools.

Period School Type	One-Year	Two-Year	Four-Year	Rate Types
Disbursement to Repayment	584	774	969	Interest & SA
Repayment to Default	418	498	619	SA
Repayment to Paid In Full	1659	1580	1712	SA

The EALF uses the actual interest rates in effect when the ineligible loans were disbursed and an annualized average of the quarterly special allowance rates in effect. The EALF divides the number of days in each time period so that changes in interest and special allowance rates are considered. The EALF also assumes that the ineligible loans were made in two disbursements after a 30-day delay.

Example for the Disbursement to Repayment Period for a Two-Year Institution (2004-05)

Variable Rate Ineligible Loans: $40,000 subsidized and $60,000 unsubsidized
Interest Rates: 04-05 (2.77), 05-06 (4.70), 06-07 (6.54)
SA Rates: 04-05 (1.45), 05-06 (1.55), 06-07 (0.53)

Subsidized Loan Amount (Interest and Special Allowance)
$40,000/2 x (451 x (.0422/365))
+ $40,000/2 x (730 x (.0625/365))
+ $40,000/2 x (367 x (.0707/365)) = $4,964.61
Unsubsidized Loan Amount (Special Allowance Only)
$60,000/2 x (451 x (.0145/365))
+ $60,000/2 x (730 x (.0155/365))
+ $60,000/2 x (367 x (.0053/365)) = $1,627.36

NOTE: The number of days of 774 for this time period is doubled to 1548 (451+730+367) because the principal amount is divided by two. Similar calculations are made for the other two periods. The total liability is the sum of the default amount with the interest and special allowance calculations for all three periods.

Appendix: F
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 which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being 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 upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the 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.

Accounting Document – Prior Year Monetary Recovery (AD-PYMR)

Institution: Progressive Training Centers

City, State: Pompano Beach, FL

PRCN: 2012-4-04-280630

TIN: 651085049

DUNS: 167229058

Reviewer: Toyoko Woodard **Region:** Atlanta **Date:** 11/13/13

Section A - Use if no adjustments are being made in COD

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest	$259	4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Section B: Use if the Institution is instructed to make adjustments in COD

Add rows if necessary			Amount			G5 Program Award # *
Pell	Program / Award Year 2012-2013	**Principal**	$3,423	3875FNOYR	69020	P063P127693
	Program / Award Year 2012-2013	**Imputed Interest**	$16	1435RNOYR	64020	P063P127693
Pell	Program / Award Year 2011-2012	**Principal**	$7,794	3875FNOYR	69020	P063P117693

	Program / Award Year 2011-2012	Imputed Interest	$66	1435RNOYR	64020	P063P117693
Pell	Program / Award Year 2010-2011	Principal	$5,550	3875FNOYR	69020	P063P107693
	Program / Award Year 2010-2011	Imputed Interest	$87	1435RNOYR	64020	P063P107693
Direct Loan (do not use for estimated loss)	Award Year 2011-2012	Principal	$13,183	3875FNOYR	69020	P268K127693
	Award Year 2011-2012	Imputed Interest	$60	4253XNOYR	53040	P268K127693

Comments:

* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

<u>Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL</u>:

Pell is designated by "P063P" and DL is designed by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the <u>leading award year</u> in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the <u>trailing award year</u> in the award number)

<u>Example of G5 award number for FWS and FSEOG</u>

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the <u>leading award year</u> in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the <u>leading award year</u> in the award number)

See FPRD Distribution Form for distribution information for this form and related program review documents.