June 10, 2014

Mr. Scott Steffey, President
Sanford-Brown College
231 North Martingale Road
Schaumburg, IL 60173-2007

Shipment via United Parcel Service
Tracking No. 1Z A87 96401 9483 4837

RE: **Final Program Review Determination**
OPE ID: 02205200
PRCN: 201320728219

Dear Mr. Steffey:

The U.S. Department of Education's (Department's) School Participation Division – Kansas City issued a program review report on April 7, 2014 covering Sanford-Brown College's (SBC) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2011-12 and 2012-13 award years. The institution's final response was received on May 30, 2014.

The School Participation Division – Kansas City has reviewed SBC's response to the program review report. A copy of the program review report (and related attachments) and SBC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SBC 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 notify SBC of the Department's final determinations and to close the review.

Liabilities totaling $1,024.00 have been repaid by SBC. No further action is required.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendices A and B, Student Samples. The appendices are enclosed with this land shipment.

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. SBC has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, SBC may consider the program review closed with no further action required.

If you have any questions concerning this report, please contact Mr. Rick Moore at 816-268-0421 or via email at richard.moore@ed.gov.

Sincerely,

(b)(6)

Ralph A. LoBosco
Division Director

Enclosures: Final Program Review Determination
Program Review Report
SBC's Response to the Program Review Report

cc: Melissa Mangold, Campus President
Tony Canale, Vice-President Student Finance
Accrediting Council for Independent Colleges and Schools

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND™

Prepared for

Sanford-Brown College

OPE ID 02205200
PRCN 201320728219

Prepared by:
U.S. Department of Education
Federal Student Aid
School Participation Division – Kansas City

Final Program Review Determination

June 10, 2014

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A. Institutional Information

Sanford-Brown College
1435 Smizer Mill Road
Fenton, MO 63026-7305

Type: Proprietary

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 574 as of 2/1/13

% of Students Receiving Title IV: 93%

Title IV Participation (G5, Fiscal Operations Report)

	2012-13
Federal Pell Grant	$2,969,766.00
Federal Supplemental Education Opportunity Grant (SEOG)	199,822.00
Federal Direct Loan (DL)	5,598,802.00
Federal Work Study (FWS)	137,578.00

Default Rate FFEL/DL:	2011	12.7%
	2010	14.8%
	2009	16.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Sanford Brown College (SBC) from February 25, 2013 to March 1, 2013. The review was conducted by Rick Moore, Kathy Feith and John Nading.

The focus of the review was to determine SBC'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 SBC'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 2011-12 and 2012-13 (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. In addition, 11 files were selected for further review of Return of Title IV funds calculations, Federal SEOG, and Federal Work Study. Appendices A and B of the Program Review report list 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 SBC'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 SBC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

SBC has taken the corrective actions necessary to resolve findings 1, 3, 4, 5 and 6 of the program review report. Therefore, these findings may be considered closed.

Resolved Finding with Comments

The following program review finding has been resolved by the institution and may be considered closed. This finding is included solely for the purpose of discussing resolution of the finding.

Finding 2. Failure to Perform Return to Title IV Funds Calculation

Citation Summary:

If the total amount of Title IV, HEA program aid earned is greater than the amount that was disbursed to the student as of the date of the institution's determination the student withdrew, the difference between those amounts must be treated as a post-withdrawal disbursement. 34 C.F.R. § 668.22(a)

Noncompliance Summary:

SBC did not perform a Return to Title IV calculation for one student identified during the program review.

Required Action Summary:

SBC was required to perform a Return to Title IV calculation for this student and revise its internal policies and procedures to ensure that Return calculations are performed when required.

SBC's Response:

In its response, SBC stated its concurrence with the finding and submitted a revised policies and procedures along with assurances that Return of Title IV fund calculations will be accurately completed and reviewed in the future.

SBC also provided evidence that it had made the required Return for the student listed in this finding.

Final Determination:

SBC has previously made the required Return of Title IV funds in the amount of $1,024 for Student #1 as a result of the program review finding. Therefore, no further liability will be established at this time.

SBC must notify all students and/or borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments. No further action is required at this time and this finding may be considered closed.

D. Appendices

Appendix A: Program Review Report

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND™

Prepared for

Sanford-Brown College

OPE ID 02205200
PRCN 201320728219

Prepared by:
U.S. Department of Education
Federal Student Aid
School Participation Division – Kansas City

Program Review Report

April 7, 2014

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B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Sanford Brown College (SBC) from February 25, 2013 to March 1, 2013. The review was conducted by Rick Moore, Kathy Feith and John Nading.

The focus of the review was to determine SBC'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 SBC'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 2011-12 and 2012-13 (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. In addition, 11 files were selected for further review of Return of Title IV funds calculations, Federal SEOG, and Federal Work Study. Appendices A and B list 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 SBC'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 SBC 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 (FPRD) 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 SBC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Late Returns of Title IV Funds Calculation

Citation: An institution must calculate and return Title IV funds no later than 45 days after the date of the institution's determination that the student withdrew. *34 C.F.R. § 668.22(j)*

For the purposes of the Return to Title IV (Return) Funds calculations, the "date of the institution's determination that the student withdrew" varies depending on the type of withdrawal. For example, if a student begins the official withdrawal process or provides official notification to the school of his or her intent to withdraw, the date of the institution's determination that the student withdrew would be the date the student began the official withdrawal process, or the date of the student's notification, whichever is later. If a student did not begin the official withdrawal process or provide notification of his or her intent to withdraw, the date of the institution's determination that the student withdrew would be the date that the school becomes aware that the student ceased attendance. *34 C.F.R. § 668.22(l)*

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 (LDA) as determined by the institution from its attendance records.

If a student provides notification to the school of his or her withdrawal prior to the date that the school normally would determine that the student withdrew, the date of determination is the date of the student's notification. The school is not required to administratively withdraw a student who has been absent for 14 days (or less if applicable). However, after 14 days, it is expected to have determined whether the student intends to return to classes or to withdraw. If the student is eventually determined to be a withdrawal, the end of the 14-day period begins the time frame for completing a Return of Title IV Funds calculation.

If a school has a policy that states the maximum number of excused absences that can occur after which a student will be administratively withdrawn, it may delay contacting the student until that date. However, if the student eventually is determined to be

withdrawn, the date of determination of the student's withdrawal remains 14 days from the student's last day of attendance. 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.

This requirement does not affect a student's withdrawal date. At a school that is required to take attendance, a student's withdrawal date is always the last date of attendance. *34 CFR § 668.22(b)(1); 2011-2012 Federal Student Aid Handbook, Volume 5, Chapter 2*

Noncompliance: SBC failed to perform Return calculations within the required time frames.

Student #2: The financial aid file indicates that the student's last date of attendance, as determined by SBC's attendance records, was 3/7/12. The withdrawal date as shown on the return calculation was 3/21/12. However, the return calculation was not performed until 9/10/12 which was beyond the allowable time frame. In this case, the student completed over 60% of the period and therefore earned 100% of the Title IV, HEA funds disbursed. Therefore, there is no further action necessary for this student.

Required Action: SBC must review and revise its internal policies and procedures to ensure that Return of Title IV Funds calculations are performed properly and in a timely manner in the future. A copy of these procedures must accompany SBC's response to this report.

Finding 2. Failure to Perform Return to Title IV Funds Calculation

Citation: Federal regulations state that when a recipient of Title IV, HEA program aid withdraws from an institution during a period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV, HEA program aid the student earned as of the student's withdrawal date. Any unearned aid must be returned to the Title IV, HEA program. If the total amount of Title IV, HEA program aid earned is greater than the amount that was disbursed to the student as of the date of the institution's determination the student withdrew, the difference between those amounts must be treated as a post-withdrawal disbursement. *34 C.F.R. § 668.22(a)*

Noncompliance: For the student listed below, SBC did not perform a Return to Title IV calculation.

Student #1: For the term 1108 as designated on the student transcript, covering the period, 8/8/11 through 10/16/11, the student was enrolled in and withdrew from three courses. An add/drop form for one of the courses, Medical Administrative Procedures, indicates that the student never attended the course. There was no documentation of last date of attendance in the student's file for any of the courses for this term. No Return calculation was found in the student file to indicate if any Return of funds was due. The student did return to school and graduated on 5/27/12. However, a Return calculation should have been done for the period in which the student withdrew.

Required Action: SBC must review the financial aid files and perform a Return calculation for the student shown above and provide the results of that review to this office. SBC must also review and revise its internal policies and procedures to ensure that Return calculations are performed when required. A copy of these procedures must accompany SBC's response to this report.

Instructions for repayment of any liabilities will be provided in the Final Program Review Determination letter. SBC must not attempt to repay any funds owed to the Department until the FPRD is issued.

Finding 3. Incorrect Federal Direct Loan Amount

Citation: Federal regulations state that to qualify for a subsidized loan, a student must have financial need. A borrower unable to qualify based on need for a subsidized loan may apply for an unsubsidized loan, which is not based on need. Also, a student able to qualify for only a part of the subsidized loan limit may apply for an unsubsidized loan to cover the Estimated Financial Contribution (EFC) and any unmet financial need (up to the annual loan limit).

For all Title IV, HEA loans, institutions must document the student's cost of attendance, EFC, and estimated financial assistance in the student's file. Additionally, the institution must use the correct loan amounts requested by the student which are within their annual or aggregate loan limits. *34 C.F.R. § 685.200*

Noncompliance: In one instance, SBC awarded an incorrect Federal Direct Subsidized Loan amount based on the student's EFC and cost of attendance.

Student #27: This student had a cost of attendance of $13,175 for the loan period 7/9/12 through 2/17/13. The EFC for this period was 14,117. Based on the EFC and Cost of Attendance (COA), the student was ineligible for a Federal Direct Subsidized Loan. However, the student was awarded $818.00 in Federal Direct Subsidized Loan funds.

Required Action: SBC may be liable for the incorrect loan disbursement. SBC should strengthen its procedures to ensure that in the future, all loan amounts are correctly

calculated and awarded based on the student's correct EFC and cost of attendance. A copy of the updated procedures must accompany SBC's response to this report.

Instructions for repayment of any liabilities will be provided in the Final Program Review Determination letter. SBC must not attempt to repay any funds owed to the Department until the FPRD is issued.

Finding 4. Failure to Meet FWS Community Service Position Requirements

Citation: Federal regulations state that an institution must use at least seven percent of the sum of its initial and supplemental Federal Work Study (FWS) allocations for an award year to compensate students employed in community service activities. In meeting this community service requirement, an institution must include at least one:

- Reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school; or
- Family literacy project that employs one or more FWS students in family literacy activities.

The Department may waive the FWS community service requirements if it determines that an institution has demonstrated that enforcing the requirements would cause a hardship for students at the institution.

To the extent practicable, in providing reading tutors for children, an institution must:

- Give priority to the employment of students to tutor in reading in schools that are participating in a reading reform project that is designed to train teachers how to teach reading using scientifically-based research on reading, and is funded under the Elementary and Secondary Education Act of 1965; and
- Ensure that any student who is employed in a school participating in a reading reform project receives training from the employing school in the instructional practices used by the school.

In meeting the seven percent community service expenditure requirement, students may be employed to perform civic education and participation activities in projects that:

- Teach civics in schools;
- Raise awareness of government functions or resources; or
- Increase civic participation.

To the extent practicable, in providing civic education and participation activities, an institution must:

- Give priority to the employment of students in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and
- Ensure that the students receive appropriate training to carry out the educational services required. *34 C.F.R. § 675.18(g)*

Noncompliance: During the program review, it was noted that prior to December 2011, SBC had complied with the community service literacy requirement through an agreement with the YMCA of St. Louis, YMCA Literacy Programs. The agreement between the YMCA and SBC was not renewed after the end of 2011. SBC was unable to provide documentation to show compliance with the literacy requirement.

Therefore, SBC did not have any qualified placements to meet the community service literacy requirements which must be submitted on the institution's Fiscal Operations Report and Application to Participate (FISAP), Part V, Sections G and H.

Required Action: SBC must review and strengthen its job development procedures to ensure that work study positions are correctly categorized so SBC can continue to maintain the community service requirement. A copy of the strengthened procedures must accompany SBC's response to this report.

In addition, SBC must review and if necessary, correct any erroneous information found in Part V of its two most recent FISAPs to ensure that its determination of the FWS community service percentage is correctly reported. For each award year, SBC must provide the following information:

1. Total amount of FWS expenditures for the award year, including Federal and institutional share;
2. Total amount of FWS community service expenditures for the award year, including Federal and institutional share;
3. Total number of FWS community service positions for the award year, including names and Social Security numbers of each FWS recipient, a copy of the FWS job description for each community service position, and the period of each student's employment in the position;
4. Total number of FWS community service positions in each award year that involved working as a reading tutor for preschool or elementary students; and
5. Total number of FWS community service positions in each award year that involved working in a family literacy program, including the name of each student who held such a position.

In cases where the amounts provided in SBC's response differ from those provided in its annual FISAP submissions, the institution should provide an explanation for the

discrepancy or make the necessary changes. To make changes to an existing FISAP for recent award years, SBC must report the corrected FISAP information through the Department's eCB system. Changes must be made to the working copy of the FISAP for the applicable award year. At the time of submission, the institution will be asked to provide an explanation of why changes are being made. Detailed instructions for submitting FISAP corrections can be obtained by contacting the eCB Call Center at (877) 801-7168.

Finding 5. National Student Loan Data System (NSLDS) Reporting Incorrect/Untimely

Citation: Federal regulations state that a school shall—

1. Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
2. Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct or FFEL Subsidized, Unsubsidized, or PLUS Loan, has been made to or on behalf of a student who—
   a. Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
   b. Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
   c. Has changed his or her permanent address.
3. The Secretary provides student status confirmation reports to a school at least semi-annually.
4. The Secretary may provide the student status confirmation report in either paper or electronic format. *34 C.F.R. §§682.610 and 685.309*

The Secretary provides student status confirmation reports to a school at least semi-annually. At scheduled times during the year, not less than semiannually, NSLDS sends Roster files electronically to the institution (or its designated servicer) through its SAIG mailbox. The file includes all the institution's students who are identified in NSLDS as Direct (Direct and FFEL) borrowers (or the beneficiaries of a PLUS loan). The file is not necessarily connected to loans made at the institution—the institution must also report information for students who received some or all their FSA loans at other schools but are currently attending the reporting institution.

The institution (or servicer) must certify the information and return the Roster file within 30 days of receiving it. The institution may also go to *www.nsldsfap.ed.gov* and update information for students online. The institution is required to report changes in the

student's enrollment status, the effective date of the status and an anticipated completion date. Changes in enrollment to less than half time, graduated, or withdrawn must be reported within 30 days. However, if a Roster file is expected within 60 days, the institution may provide the data on that roster file. *2011-2012 and 2012-2013 Federal Student Aid Handbook, Volume 2, Chapter 3*

Student enrollment information is extremely important, because it is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in-school deferment. For students moving into repayment, the out of school status effective date determines when the grace period begins and how soon a student must begin repaying loan funds. *2011-2012* and *2012-2013 Federal Student Aid Handbook, Volume 2, Chapter 3*

Noncompliance: SBC failed to accurately report the student enrollment status for all students as required to NSLDS in a timely manner.

Student #2: This student was found to have been part of a batch of students that was not correctly reported/updated between the period 6/14/12 through 9/17/12. When questioned about this student, school officials indicated that there had been a failure to properly report on all batches during this isolated timeframe.

Student #9: This student was shown to have a withdrawn date of 10/12/11. However, the enrollment status change was not reported to NSLDS until 2/1/12, 52 days late.

Required Action: SBC has previously updated the enrollment status for students who were part of the particular batch mentioned above which included Student #2. Therefore, no further action is required for these student status reports at this time. SBC should make any necessary corrections/updates to any other student status reports which had not been done previously. In addition, the institution is required to review its procedures for reporting enrollment status changes to NSLDS to ensure accurate and timely reporting in the future.

Finding 6. Inaccurate Reporting of Disbursement Dates to the Common Origination and Disbursement (COD) System

Citation: An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with:

- Funds received from the Secretary; or
- Institutional funds used in advance of receiving Title IV, HEA program funds. *34 C.F.R § 668.164(a)*

A school participating in the Direct Loan Program shall ensure that any information it provides to the Secretary in connection with loan origination is complete and accurate. A school shall originate a Direct Loan while the student meets the borrower eligibility requirements of *34 C.F.R § 685.200*. A school shall provide to the Secretary borrower information that includes but is not limited to:

- The borrower's eligibility for a loan, as determined in accordance with *34 C.F.R § 685.200* and *34 C.F.R § 685.203*;
- The student's loan amount; and
- The anticipated and actual disbursement date or dates and disbursement amounts of the loan proceeds. *34 C.F.R § 685.301(a)*

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. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the COD system no later than 30 days after making a disbursement or becoming aware of the need to adjust a student's previously reported disbursement information. The disbursement date to be reported to COD is the date that the institution credits funds to a student's account or pays funds to a student or parent directly. *COD Technical Reference, 2011-2012, Volume II*

Noncompliance: SBC did not accurately report all disbursement dates to COD. Two examples are shown below:

Student #2: COD disbursement dates for this student did not match student account statements.

COD shows Pell disbursement dates of:

8/15/11, 9/19/11, 10/24/11/ 12/1/11, and 1/24/12.

The student account card shows disbursement dates of:

8/19/11, 9/28/11, 11/3/11, 12/13/11 and 1/25/12, respectively.

Student #11: COD disbursement dates for this student did not match student account statements. COD shows Pell disbursement dates of:

9/19/11, 10/24/11, 12/01/11 and 1/16/12.

The student account card shows disbursement dates of:

09/21/11, 11/3/11, 12/6/11 and 1/20/12, respectively.

Required Action: SBC must correct the COD disbursement dates for the students shown above. SBC must also revise its COD reporting procedures to ensure that the institution accurately reports to COD the date that the institution disburses Title IV, HEA funds to each student's account. A copy of these procedures must accompany SBC's response to this report.

D. Appendices

Appendix A: Student Sample

Student No.	Award Year	Last Name	First Name	SSN(last 4)
1	2011-12	(b)(6),(b)(7)(C)		
2	2011-12			
3	2011-12			
4	2011-12			
5	2011-12			
6	2011-12			
7	2011-12			
8	2011-12			
9	2011-12			
10	2011-12			
11	2011-12			
12	2011-12			
13	2011-12			
14	2011-12			
15	2011-12			
16	2012-13			
17	2012-13			
18	2012-13			
19	2012-13			
20	2012-13			
21	2012-13			
22	2012-13			
23	2012-13			
24	2012-13			
25	2012-13			
26	2012-13			
27	2012-13			
28	2012-13			
29	2012-13			
30	2012-13			

Appendix B: Additional Student Files Reviewed

Student No.	Last Name	First Name	SSN(last 4)
31	(b)(6),(b)(7)(C)		
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			

Appendix B: Sanford-Brown College's Response to the Program Review Report

Sanford-Brown COLLEGE

May 5, 2014

Attn: Mr. Rick Moore

Sanford-Brown College
Program Review Report
OPE ID: 02205200
PRCN: 201320728219

RE: Program Review Response, PRCN: 201320728219

Dear Mr. Moore

In response to your letter dated April 7, 2014, in regard to Sanford-Brown College's program review, conducted February 25th, 2013 through March 1st, 2013, Sanford-Brown is providing our response to the areas of noncompliance as presented in the report.

Finding 1: Late Return of Title IV Funds Calculation

The institution agrees with the finding.

The Department noted, for one student the return to Title IV calculation was not performed within the allowable time frame. In this case, the student completed over 60% of the period and therefore earned 100% of the Title IV, HEA funds disbursed. Therefore, no further action necessary for the student cited.

Sanford-Brown must review and revise its internal policies and procedures to ensure that Return of Title IV funds calculations are performed properly and in a timely manner. Sanford-Brown must also provide the Department with a copy of their internal procedures.

The institution has taken the steps to ensure that Return of Title IV funds calculations are performed properly and in a timely manner. In this isolated instance the institution did not properly follow our procedure and progress the student timely from a pending graduate status to a withdrawn status resulting in the late calculation.

A copy of the institution's procedures for reviewing student graduation requirements is being provide along with our response, 'Finding #1 - Chapter 10 Graduation Procedures.'

Finding 2: Failure to Perform Return to Title IV Funds Calculation

The institution agrees with the finding.

The Department noted, for one student SBC did not perform a return to Title IV calculation. For the term 1108, the student was enrolled in and withdrew from three courses; however, a return calculation was not performed on the student cited.

The institution has reviewed the student's financial aid file and performed the return calculation. As requested, Sanford-Brown has included the attendance history and results of the return calculation, 'Finding #2 – Mitchel, Miranda R2T4, along with a copy of our policy and procedures, 'Finding #2 - Chapter 12 –Withdrawal – Section D – SPN & R2T4'.

Finding 3: Incorrect Federal Direct Loan Amount

The institution agrees with the finding.

The Department noted, in one instance, SBC awarded an incorrect Federal Direct Subsidized loan amount based on the student's EFC and cost of attendance.

In this isolated instance, the institution did not properly follow our procedure and over awarded a Direct Subsidized loan in the amount of $818.00 A copy of the institution's procedures is being provide along with our response, 'Finding #3 - Chapter 10 - section A - Financial Need and Packaging.'

Finding 4: Failure to Meet FWS Community Service Position Requirements

The institution agrees with the finding.

The Department noted, that prior to December 2011, SBC had complied with the community service literacy requirement through an agreement with the YMCA of St. Louis, YMCA Literacy Programs. The agreement between the YMCA and SBC was not renewed after the end of 2011. SBC was unable to provide documentation to show compliance with the literacy requirement.

SBC has reviewed and strengthened our job development procedures to ensure that work study positions are correctly categorized. SBC is providing a copy of our procedures along with our response, 'Finding #4 - Chapter 15 -CBA Section B (b)–FWS-Employment Guidelines.'

In addition, SBC has reviewed the information found in Part V of its two most recent FISAPs and the institution has submitted a request to make the necessary changes. We are including the request submitted to change the FISAP and an updated FISAP for the applicable award years.

Finding #4 - 11-12 FISAP Update
Finding #4 - 12-13 FISAP Update

Finally SBC is providing the additional information as requested on page 8 of the Program Review Report, 'Finding #4 - SBC Fenton FWS community service positions' including the corresponding job descriptions.

Finding 5: National Student Loan Data System (NSLDS) Reporting Incorrect/Untimely

The institution agrees with the finding.

As noted in the program review report, the institution is required to review its procedures for reporting enrollment status changes to NSLDS to ensure accurate and timely reporting the future. The institution will ensure that enrollment status changes are reported timely and accurately to NSLDS.

Finding 6: Inaccurate Reporting of Disbursement Dates to the Common Origination and Disbursement (COD) System.

The institution agrees with the finding.

As noted in the program review report, Sanford-Brown must correct the COD disbursement dates for the students cited.

The institution has taken the steps to make the necessary corrections. Documentation is being provided as proof the corrections have been made 'Finding # 6 - COD Award Disbursements Information'. The institution will ensure the disbursement dates for all students is accurately reflected on the Departments Common Origination & Disbursement Web Site (COD). Furthermore, the institution has updated our procedure for processing title IV funds and has included an updated copy of our procedures, 'Finding #6 - Chapter 9 Disbursement Policy.'

Sanford-Brown has strengthened our procedures to ensure accurate and timely reporting of student enrollment statuses to the Common Origination & Disbursement Web Site (COD).

Should you have any additional questions or require additional documentation to support our response, please do not hesitate to reach out.

Sincerely,

Tony Canale
Vice President, Student Finance