



APR 30 2013

Reverend Donald Harrington, JCM  
President  
St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439 – 1343

Certified Mail  
Return Receipt Requested  
7006 2760 0002 1694 1229

RE: Final Program Review Determination  
OPE ID: 00282300  
PRCN: 20102227112

Dear Reverend Harrington:

The U.S. Department of Education's (Department's) School Participation Team issued a program review report on June 24, 2010 covering St. John's University's (SJU) 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 2008 -- 2009 award year. SJU's final response was received on August 20, 2010. A copy of the program review report (and related attachments) and SJU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SJU 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 and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$51,069.63. 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. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – New York/Boston

Financial Square, 32 Old Slip, 25<sup>th</sup> Fl., New York, New York 10005

SEP 2013 11:13 AM

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the June 24, 2010 program review report. If SJU wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date SJU receives this FPRD. An original and four copies of the information SJU 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 8412  
Washington, DC 20002-8019

SJU's appeal request must:

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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 SJU'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).



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**Federal Student Aid**

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School Participation Division – New York/Boston

Financial Square, 32 Old Slip, 25<sup>th</sup> Fl., New York, New York 10005

Student Aid

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The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Jacqueline Watford at 646 – 428 –3782.

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)

Betty Coughlin  
Director

Enclosure:  
Protection of Personally Identifiable Information  
Program Review Report  
Appendices

cc: Jorge Rodriguez, Financial Aid Administrator  
Middle States Commission on Higher Education  
NY State Education Department

bcc: Reading file, Correspondence file, Jackie Watford, Chris Curry,  
Patrice Fleming, OCFO Accounts Receivable, FSA PC SEC (ICD-All Title IV  
Programs Liabilities), Kathleen Wicks, FRM

Prepared for

St. John's University

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

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the AMERICAN MIND™

**OPE ID** 00282300  
**PRCN** 20102227112

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division- New York/Boston

# Final Program Review Report

April 30, 2013

## Table of Contents

	Page
<b>A. Institutional Information.....</b>	2
<b>B. Scope of Review.....</b>	3
<b>C. Findings and Final Determinations.....</b>	3
<b>Resolved Findings with Comments.....</b>	
Finding 2. Incomplete Verification.....	3
Finding 3. Federal Perkins Loan Exit Counseling Deficiencies.....	4
<b>Findings with Final Determinations.....</b>	6
Finding 1. Inadequate Determination of Student Enrollment.....	6
<b>D. Summary of Liabilities.....</b>	9
<b>E. Payment Instructions.....</b>	10
<b>F. Appendices.....</b>	15
Appendix A: Student Sample.....	
Appendix B: File Review - Non Passing Grades.....	
Appendix C: Cost of Funds (C1 and C2)	
Appendix D: Program Review Report	
Appendix E: School Response	

### Institutional Information

St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439 – 1343

**Type:** Private, Nonprofit

**Highest Level of Offering:** Master's Degree or Doctors's Degree

**Accrediting Agency:** Middle States – Higher Education

**Current Student Enrollment:** 22,553

**% of Students Receiving Title IV:** 50.3%, 2008 – 2009

**Title IV Participation:** Source – Postsecondary Education Participants System (PEPS)

	<u>2011/2012</u>
Federal Pell Grant Program (Pell)	\$ 23, 131,433
Federal Stafford, Subsidized	\$ 52, 530,431
Stafford Unsubsidized	\$ 51, 694,502
Federal PLUS	\$ 68, 012,749
FSEOG	\$ 2, 237,841
FWS	\$ 2, 117,706
Perkins	\$ 1, 546,472

**Default Rate FFEL/DL:**

2010	7.7%
2009	6.8%
2008	5.5%

**Default Rate Perkins:**

2011	5.1%
2010	12.5%
2009	5.1%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review of SJU from February 23, 2010 through February 25, 2010. The review was conducted by Maritza Phillips and I.ydia Gonzalez.

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

A sample of 15 files was identified for review from 2008/2009 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation 2) were selected for verification and 3) received all non -- passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies 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 SJU'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 SJU 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 with Comments**

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the finding.

#### **Finding 2: Incomplete Verification**

##### **Citation:**

*An institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary of Education, to verify all of the applicable items specified in 34 C.F.R. § 668.56 except that no institution is required to verify the applications of more than 30% of its total number of applicants for assistance under the Federal Pell Grant, Federal Direct Loan, Campus Based and Federal Stafford Loan programs in an award year. 34 C.F.R. § 668.54(a)(2)(i)*

*The data elements that are required to be verified when a student is selected for verification by the Department are identified at 34 C.F.R. § 668.56, and the documentation acceptable for completing the verification is specified at 34 C.F.R. § 668.57.*

**Noncompliance:**

*The Department found that SJU did not properly verify student number 8, who was selected for verification. Student Number 8 was selected for verification but SJU's records do not document that verification was completed. The student's ISIR indicated that the student was independent married/remarried with two family members. The verification worksheet in the student's file did not list anyone other than himself on the worksheet. The ISIR also indicated that the student worked and a tax return was filed in 2008. However, there was no copy of a 2008 tax return in the student's file.*

**Required Action:**

*In response to this finding, SJU was required to resolve the discrepancies in this finding. The institution was advised to collect any missing documentation and perform all need analysis to confirm students' eligibility. Please note in cases where information on verification worksheets is revised, the changes must be initialed and worksheet must be signed by the required person.*

*SJU was notified that it would be liable for all Title IV funds disbursed to any student for who it is unable to verify.*

**School's Response:**

The institution provided the following information: student's signed copy of his 2007 federal tax transcript; a signed copy of the student's independent verification worksheet; letter explaining student has been separated from his wife since June 2006; a copy of student's driver's license and bank statement confirming he and his wife live in separate households and a copy of SJU's updated recalculation.

**Final Determination:**

Upon review of SJU's response the institution has provided sufficient documentation to resolve the finding for student number 8.

**Finding 3: Federal Perkins Loan Exit Counseling Deficiencies**

**Citation:**

*34 C.F.R. § 668.42(6) states that the institution shall provide and collect exit counseling information as required by 34 C.F.R. §.674.42 for borrowers under the Federal Perkins Loan Programs. 34 C.F.R. § 674.42(b) further states that an institution for borrowers under the Federal Perkins Loan Program must conduct an in person exit interview with each FFEL and Perkins borrower shortly before the student ceases enrollment on at least a half-time basis in order to emphasize the obligation and consequences of default. General information such as repayment options, consolidation and debt management strategies must also be provided to the borrower. If the borrower withdraws or graduates without the institution's prior knowledge and*

*did not attend an exit interview, the institution must mail written counseling materials to the borrower within 30 days after learning the borrower has withdrawn or graduated.*

*The institution's failure to provide exit counseling may result in students being improperly informed concerning their Title IV loans which may, in turn, lead to an increase in the incidents of default. Title IV loans that go into default status create increased expense for the U.S. Department of Education.*

**Noncompliance:**

*The Department found that SJU failed to maintain documentation substantiating the school's compliance with Perkins Loan exit counseling for student number 10. Student number 10 withdrew from the institution during the Spring 2009 semester. During that semester the student received a Perkins Loan on 02/07/08 in the amount of \$2,490, however, the institution was unable to provide documentation that indicates the student received exit counseling.*

**Required Action:**

*SJU was required to provide assurances that exit loan counseling will be performed in a timely manner for all Perkins and FFEL borrowers. In addition, the institution was also required to devise and implement procedures that will prevent any reoccurrence of this finding. The institution was also required to provide a copy of the procedures along with the response to the program review report.*

**School's Response:**

In the response, SJU explained its current process and has also implemented new procedures. SJU will do the following to ensure all loan recipients receive exit counseling: Federal Perkins recipients who withdraw will have an exit interview requirement and an automated message will be sent to the students account. The requirement and message will prompt an exit letter to be printed and mailed. This will ensure students are notified of the exit counseling requirement timely.

In addition, on the monthly basis SJU has indicated the institution will audit ten files to ensure exit interview notification is properly documented in the student files.

**Final Determination:**

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Prepared for

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April 30, 2013

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	Page
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Finding 2. Incomplete Verification.....	3
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**Required Action:**

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**Noncompliance:**

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**Required Action:**

*SJU was required to provide assurances that exit loan counseling will be performed in a timely manner for all Perkins and FFEL borrowers. In addition, the institution was also required to devise and implement procedures that will prevent any reoccurrence of this finding. The institution was also required to provide a copy of the procedures along with the response to the program review report.*

**School's Response:**

In the response, SJU explained its current process and has also implemented new procedures. SJU will do the following to ensure all loan recipients receive exit counseling: Federal Perkins recipients who withdraw will have an exit interview requirement and an automated message will be sent to the students account. The requirement and message will prompt an exit letter to be printed and mailed. This will ensure students are notified of the exit counseling requirement timely.

In addition, on the monthly basis SJU has indicated the institution will audit ten files to ensure exit interview notification is properly documented in the student files.

**Final Determination:**

Upon review of SJU's response the institution has provided sufficient documentation to resolve this finding.

## **Finding with Final Determinations**

### **Finding 1: Inadequate Determination of Student Enrollment**

#### **Citation:**

*34 C.F.R. § 668.22(c)(iii) states that for a student who ceases attendance at an institution that is not required to take attendance without providing official notification to the institution, in writing or orally, of his or her intent to withdraw, the withdrawal date is the midpoint of the payment period or the period of enrollment. Additional guidance in the 2008/2009 Federal Student Aid Handbook Volume 2 explains that if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.*

*Failure to properly document a student's last day of attendance at an institution may result in the institution performing return of Title IV calculation that could result in the institution keeping more Title IV funds that is entitled to, thereby creating an increased expense to the Department.*

#### **Noncompliance:**

*The reviewers found that SJU's procedures to monitor students' enrollment status for purposes of determining Title IV eligibility is not adequate, specifically, for students who unofficially stop attending an academic term. The reviewers were unable to determine whether or not the following students who did not receive a passing grade had withdrawn unofficially for that semester.*

**Student Number 6** – *Spring 2009 semester – The student received two (2) UW grades, one (1) F grade and one (1) ABF grade. SJU provided a copy of the electronic folder comment sheet which indicated attendance activities. However, the only date provided in the narrative comment section was 2/5/09 which is the date prior to the midpoint of the semester.*

**Student Number 14** – *Fall 2008 semester – The student received three (3) UW grades and one (1) F grade. The last date of attendance to an academic related activity was not provided for any of the courses.*

**Student Number 15** – *Fall 2008 semester – The last date of attendance at an academic related activity was not provided for any of the courses. SJU provided a copy of an email from a school official to another school official which stated that the professor submitted a grade of "F" based on his judgment at the time. However, the last date of attendance to an academic related activity was not provided.*

#### **Required Action:**

*SJU was required to resolve the enrollment status for the above -- mentioned students. Specifically, if the student started the classes and stopped attending unofficially, the school may*

*use the mid-point of the payment period or period of enrollment or the school may use a documented last date of attendance at an academically related activity for withdrawal date and calculate the return of the Title IV funds using that date. The institution was required to calculate the return of the Title IV funds for those students who failed to complete at least one subject for the semester in question.*

*In addition, the institution was instructed to determine the exact amount of institutional liability associated with this finding. The institution was required to perform a full file review including the students cited in this finding to identify all Title IV recipient students who did not complete at least one subject during the semester for award year 2008 – 2009.*

*In response to this finding, the institution was required to submit copies of the students' academic transcript, student's ledger, return of Title IV calculation worksheets, if applicable and the results in spreadsheet format with the following information:*

- 1. Student's Name;*
- 2. Student's Social Security Number;*
- 3. Award Year;*
- 4. Date of student's last date of attendance of an academic related activity;*
- 5. Date of the institution determination that the student withdrew or stopped attending;*
- 6. Amounts of Title IV awarded and disbursed based on enrollment, organized by Title IV program;*
- 7. Return of Title IV amount, if applicable, by program and*
- 8. Amount of Title IV due to the Department and or lender(s) organized by program*

*SJU was required to devise and implement procedures that would prevent reoccurrence of this finding. A copy of those procedures was sent with the institution's response.*

**School's Response:**

In SJU's response the institution states they do not concur with this finding and believe the university does have procedures in place that monitor students' enrollment status. SJU states that in 2002 the university implemented the grading policy of UW (unofficial withdrawal) which allows instructors to differentiate between those students that complete the course, but fail to meet the objectives of the course versus students that did not complete the course or officially withdrawal from the course.

The grade of an "F" is designated for student that have completed the course, but have failed to meet the course objectives and the grade of "UW" is awarded to students who did not officially withdraw from a course and who failed to participate in the course throughout the end of the academic period. The instructors are reminded to use "UW" at the beginning of the semester by the Office of Registrar.

**Final Determination:**

Upon review of SJU's response regarding students number 4, 14 and 15, SJU has failed to provide the Department with any supporting documentation to confirm the students had completed any of the courses in the specified academic periods. SJU is liable for students number 4, 14 and 15. The following amounts must be paid to the Department:

**Student Number 4** – total liabilities equal \$5,311 (Pell - \$2,241; ACG - \$375; Subsidized - \$1,715 and Unsubsidized - \$980);

**Student Number 14** total liabilities equal \$17,601 (Pell - \$2,366; Perkins - \$1,500; Subsidized - \$1,715; Unsubsidized - \$980 and Plus - \$11,040) and

**Student Number 15** – total liabilities equal \$2,661 (Pell - \$2,291 and ACG – 375)

Since the results for the students confirmed that SJU's processes were not adequate for students' enrollment status, the Department confirmed the requirement to perform a file review. SJU has submitted the required file review for the 2008 – 2009 award year and the results were forwarded to the Department. Based on the documentation SJU submitted attached as Appendix B, SJU must refund the \$21,900.96 for the 2008/2009 academic year. **Total liabilities for this finding amount to \$51,069.63 located in Appendix C.** Instructions for repayment are located in Section E.

**D. Summary of Liabilities**

The total amount calculated as liabilities from the findings in the program review determination is as follows. The liability amount in the first chart below reflects unduplicated liabilities because some students appear in more than one finding. This information is provided so that the institution understands the liabilities associated with each finding. Duplicate liabilities have been removed in the second chart. The payment instructions in Section E have been adjusted to reflect the unduplicated liabilities.

Liabilities	Pell (2008 – 2009)	FSEOG	ACG	FFEL	Perkins
<b>Finding 1</b>	\$ 8,838.00	\$1,375.00	\$750.00	\$33,765.96	\$2,750.00
Interest/SA	\$403.86	\$ 36.87	\$ 37.60	\$ 3,023.98	\$ 88.36
<b>TOTAL</b>	\$9,241.86	\$1,411.87	\$787.60	\$36,789.94	\$2,838.36
<b>Payable To:</b>					<b>Totals</b>
Department	\$9,241.86	\$1,411.87	\$787.60	\$ 287.17	\$ 11,728.50
Institutional Account					\$ 2,838.36
Lenders				\$36,502.77	\$36,502.77
<b>TOTAL</b>					\$51,069.63

### **E. Payment Instructions**

SJU owes to the Department **\$11,728**. 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 upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: \$11,728  
DUNS: 073134744  
TIN: 111630830  
Program Review Control Number: 20102227112

#### Terms of Payment

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. SJU 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 SJU'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, SJU 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 SJU from the Federal Government. SJU may object to the collection by offset only by challenging the existence or amount of the debt. To challenge the debt, SJU 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.

**Liabilities Owed to FFEL Lenders**

**Federal Family Education Loan (FFEL) Liabilities:**

Finding: 1  
 Appendix: C – C1

<b>FFEL</b>		
Amount (Principal)	Amount (Interest)	Award Year
\$33, 765.96	\$2,736.81	2008 – 2009
<b>Total Principal</b>	<b>Total Interest</b>	

SJU must pay the amount above to the holder(s) of the FFEL loans on behalf of the students identified in the appendices listed above, plus any interest that has accrued since the date of this letter and the day the school pays the holder. This Appendix list each of the applicable students and the corresponding amount owed to the student's FFEL loan, except for the interest that continues to accrue. SJU must access NSLDS to determine if the FFEL loan(s) have been purchased and/or are serviced by the Department. See Chapter 4, Volume 4 (Returning funds from FFEL loans purchased/serviced by the Department) of the FSA Handbook for additional guidance.



APR 30 2013

Reverend Donald Harrington, JCM  
President  
St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439 1343

Certified Mail  
Return Receipt Requested  
7006 2760 0002 1694 1229

RE: Final Program Review Determination  
OPE ID: 00282300  
PRCN: 20102227112

Dear Reverend Harrington:

The U.S. Department of Education's (Department's) School Participation Team issued a program review report on June 24, 2010 covering St. John's University's (SJU) 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 2008 - 2009 award year. SJU's final response was received on August 20, 2010. A copy of the program review report (and related attachments) and SJU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SJU 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 and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$51,069.63. 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. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**Federal Student Aid**

AN OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division New York/Boston

Financial Square, 32 Old Slip, 25<sup>th</sup> Fl., New York, New York 10005

Student Aid

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the June 24, 2010 program review report. If SJU wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date SJU receives this FPRD. An original and four copies of the information SJU 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

SJU'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 SJU's appeal will be those provided in 34 C.F.R. Part 668, Subpart II. 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 Jacqueline Watford at 646 – 428 –3782.

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)

Betty Coughlin  
Director

Enclosure:  
Protection of Personally Identifiable Information  
Program Review Report  
Appendices

cc: Jorge Rodriguez, Financial Aid Administrator  
Middle States Commission on Higher Education  
NY State Education Department

bcc: Reading file, Correspondence file, Jackie Watford, Chris Curry,  
Patrice Fleming, OCFO Accounts Receivable, FSA PC SEC (ICD-All Title IV  
Programs Liabilities), Kathleen Wicks, ERM

Prepared for

St. John's University



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the AMERICAN MIND™

**OPE ID** 00282300  
**PRCN** 20102227112

**Prepared by**  
**U.S. Department of Education**  
**Federal Student Aid**  
**School Participation Division- New York/Boston**

# Final Program Review Report

April 30, 2013

## Table of Contents

	Page
<b>A. Institutional Information</b> .....	2
<b>B. Scope of Review</b> .....	3
<b>C. Findings and Final Determinations</b> .....	3
<b>Resolved Findings with Comments</b> .....	
Finding 2. Incomplete Verification.....	3
Finding 3. Federal Perkins Loan Exit Counseling Deficiencies.....	4
<b>Findings with Final Determinations</b> .....	6
Finding 1. Inadequate Determination of Student Enrollment.....	6
<b>D. Summary of Liabilities</b> .....	9
<b>E. Payment Instructions</b> .....	10
<b>F. Appendices</b> .....	15
Appendix A: Student Sample.....	
Appendix B: File Review - Non Passing Grades.....	
Appendix C: Cost of Funds (C1 and C2)	
Appendix D: Program Review Report	
Appendix E: School Response	

### Institutional Information

St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439 – 1343

**Type:** Private, Nonprofit

**Highest Level of Offering:** Master's Degree or Doctors's Degree

**Accrediting Agency:** Middle States – Higher Education

**Current Student Enrollment:** 22,553

**% of Students Receiving Title IV:** 50.3%, 2008 – 2009

**Title IV Participation:** Source – Postsecondary Education Participants System (PEPS)

	<u>2011/2012</u>
Federal Pell Grant Program (Pell)	\$ 23, 131,433
Federal Stafford, Subsidized	\$ 52, 530,431
Stafford Unsubsidized	\$ 51, 694,502
Federal PLUS	\$ 68, 012,749
FSEOG	\$ 2, 237,841
FWS	\$ 2, 117,706
Perkins	\$ 1, 546,472

**Default Rate FFEL/DL:**

2010	7.7%
2009	6.8%
2008	5.5%

**Default Rate Perkins:**

2011	5.1%
2010	12.5%
2009	5.1%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review of SJU from February 23, 2010 through February 25, 2010. The review was conducted by Maritza Phillips and Lydia Gonzalez.

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

A sample of 15 files was identified for review from 2008/2009 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation 2) were selected for verification and 3) received all non – passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies 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 SJU'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 SJU 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 with Comments**

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the finding.

### **Finding 2: Incomplete Verification**

#### **Citation:**

*An institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary of Education, to verify all of the applicable items specified in 34 C.F.R. § 668.56 except that no institution is required to verify the applications of more than 30% of its total number of applicants for assistance under the Federal Pell Grant, Federal Direct Loan, Campus Based and Federal Stafford Loan programs in an award year. 34 C.F.R. § 668.54(a)(2)(i)*

*The data elements that are required to be verified when a student is selected for verification by the Department are identified at 34 C.F.R. § 668.56, and the documentation acceptable for completing the verification is specified at 34 C.F.R. § 668.57.*

**Noncompliance:**

*The Department found that SJU did not properly verify student number 8, who was selected for verification. Student Number 8 was selected for verification but SJU's records do not document that verification was completed. The student's ISIR indicated that the student was independent married/remarried with two family members. The verification worksheet in the student's file did not list anyone other than himself on the worksheet. The ISIR also indicated that the student worked and a tax return was filed in 2008. However, there was no copy of a 2008 tax return in the student's file.*

**Required Action:**

*In response to this finding, SJU was required to resolve the discrepancies in this finding. The institution was advised to collect any missing documentation and perform all need analysis to confirm students' eligibility. Please note in cases where information on verification worksheets is revised, the changes must be initialed and worksheet must be signed by the required person.*

*SJU was notified that it would be liable for all Title IV funds disbursed to any student for who it is unable to verify.*

**School's Response:**

The institution provided the following information: student's signed copy of his 2007 federal tax transcript; a signed copy of the student's independent verification worksheet; letter explaining student has been separated from his wife since June 2006; a copy of student's driver's license and bank statement confirming he and his wife live in separate households and a copy of SJU's updated recalculation.

**Final Determination:**

Upon review of SJU's response the institution has provided sufficient documentation to resolve the finding for student number 8.

**Finding 3: Federal Perkins Loan Exit Counseling Deficiencies**

**Citation:**

*34 C.F.R. § 668.42(6) states that the institution shall provide and collect exit counseling information as required by 34 C.F.R. §.674.42 for borrowers under the Federal Perkins Loan Programs. 34 C.F.R. § 674.42(b) further states that an institution for borrowers under the Federal Perkins Loan Program must conduct an in person exit interview with each FFEL and Perkins borrower shortly before the student ceases enrollment on at least a half - time basis in order to emphasize the obligation and consequences of default. General information such as repayment options, consolidation and debt management strategies must also be provided to the borrower. If the borrower withdraws or graduates without the institution's prior knowledge and*

*did not attend an exit interview, the institution must mail written counseling materials to the borrower within 30 days after learning the borrower has withdrawn or graduated.*

*The institution's failure to provide exit counseling may result in students being improperly informed concerning their Title IV loans which may, in turn, lead to an increase in the incidents of default. Title IV loans that go into default status create increased expense for the U.S. Department of Education.*

**Noncompliance:**

*The Department found that SJU failed to maintain documentation substantiating the school's compliance with Perkins Loan exit counseling for student number 10. Student number 10 withdrew from the institution during the Spring 2009 semester. During that semester the student received a Perkins Loan on 02/07/08 in the amount of \$2,490, however, the institution was unable to provide documentation that indicates the student received exit counseling.*

**Required Action:**

*SJU was required to provide assurances that exit loan counseling will be performed in a timely manner for all Perkins and FFEEL borrowers. In addition, the institution was also required to devise and implement procedures that will prevent any reoccurrence of this finding. The institution was also required to provide a copy of the procedures along with the response to the program review report.*

**School's Response:**

In the response, SJU explained its current process and has also implemented new procedures. SJU will do the following to ensure all loan recipients receive exit counseling: Federal Perkins recipients who withdraw will have an exit interview requirement and an automated message will be sent to the students account. The requirement and message will prompt an exit letter to be printed and mailed. This will ensure students are notified of the exit counseling requirement timely.

In addition, on the monthly basis SJU has indicated the institution will audit ten files to ensure exit interview notification is properly documented in the student files.

**Final Determination:**

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## **Finding with Final Determinations**

### **Finding 1: Inadequate Determination of Student Enrollment**

#### **Citation:**

*34 C.F.R. § 668.22(c)(iii) states that for a student who ceases attendance at an institution that is not required to take attendance without providing official notification to the institution, in writing or orally, of his or her intent to withdraw, the withdrawal date is the midpoint of the payment period or the period of enrollment. Additional guidance in the 2008/2009 Federal Student Aid Handbook Volume 2 explains that if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.*

*Failure to properly document a student's last day of attendance at an institution may result in the institution performing return of Title IV calculation that could result in the institution keeping more Title IV funds that is entitled to, thereby creating an increased expense to the Department.*

#### **Noncompliance:**

*The reviewers found that SJU's procedures to monitor students' enrollment status for purposes of determining Title IV eligibility is not adequate, specifically, for students who unofficially stop attending an academic term. The reviewers were unable to determine whether or not the following students who did not receive a passing grade had withdrawn unofficially for that semester.*

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#### **Required Action:**

*SJU was required to resolve the enrollment status for the above – mentioned students. Specifically, if the student started the classes and stopped attending unofficially, the school may*

*use the mid-point of the payment period or period of enrollment or the school may use a documented last date of attendance at an academically related activity for withdrawal date and calculate the return of the Title IV funds using that date. The institution was required to calculate the return of the Title IV funds for those students who failed to complete at least one subject for the semester in question.*

*In addition, the institution was instructed to determine the exact amount of institutional liability associated with this finding. The institution was required to perform a full file review including the students cited in this finding to identify all Title IV recipient students who did not complete at least one subject during the semester for award year 2008 – 2009.*

*In response to this finding, the institution was required to submit copies of the students' academic transcript, student's ledger, return of Title IV calculation worksheets, if applicable and the results in spreadsheet format with the following information:*

- 1. Student's Name;*
- 2. Student's Social Security Number;*
- 3. Award Year;*
- 4. Date of student's last date of attendance of an academic related activity;*
- 5. Date of the institution determination that the student withdrew or stopped attending;*
- 6. Amounts of Title IV awarded and disbursed based on enrollment, organized by Title IV program;*
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*SJU was required to devise and implement procedures that would prevent reoccurrence of this finding. A copy of those procedures was sent with the institution's response.*

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In SJU's response the institution states they do not concur with this finding and believe the university does have procedures in place that monitor students' enrollment status. SJU states that in 2002 the university implemented the grading policy of UW (unofficial withdrawal) which allows instructors to differentiate between those students that complete the course, but fail to meet the objectives of the course versus students that did not complete the course or officially withdrawal from the course.

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**Final Determination:**

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The total amount calculated as liabilities from the findings in the program review determination is as follows. The liability amount in the first chart below reflects unduplicated liabilities because some students appear in more than one finding. This information is provided so that the institution understands the liabilities associated with each finding. Duplicate liabilities have been removed in the second chart. The payment instructions in Section E have been adjusted to reflect the unduplicated liabilities.

Liabilities	Pell (2008 -- 2009)	FSEOG	ACG	FFEL	Perkins
<b>Finding 1</b>	\$ 8,838.00	\$1,375.00	\$750.00	\$33,765.96	\$2,750.00
Interest/SA	\$403.86	\$ 36.87	\$ 37.60	\$ 3,023.98	\$ 88.36
<b>TOTAL</b>	\$9,241.86	\$1,411.87	\$787.60	\$36,789.94	\$2,838.36
<b>Payable To:</b>					<b>Totals</b>
Department	\$9,241.86	\$1,411.87	\$787.60	\$ 287.17	\$ 11, 728.50
Institutional Account					\$ 2,838.36
Lenders				\$36, 502.77	\$36, 502.77
<b>TOTAL</b>					\$51, 069.63

### **E. Payment Instructions**

SJU owes to the Department **\$11,728**. 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 upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: \$11,728  
DUNS: 073134744  
TIN: 111630830  
Program Review Control Number: 20102227112

### Terms of Payment

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. SJU 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 SJU'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, SJU 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 SJU from the Federal Government. SJU may object to the collection by offset only by challenging the existence or amount of the debt. To challenge the debt, SJU 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.

**Liabilities Owed to FFEL Lenders**

**Federal Family Education Loan (FFEL) Liabilities:**

Finding: 1  
 Appendix: C – C1

<b>FFEL</b>		
Amount (Principal)	Amount (Interest)	Award Year
\$33,765.96	\$2,736.81	2008 – 2009
<b>Total Principal</b>	<b>Total Interest</b>	

SJU must pay the amount above to the holder(s) of the FFEL loans on behalf of the students identified in the appendices listed above, plus any interest that has accrued since the date of this letter and the day the school pays the holder. This Appendix list each of the applicable students and the corresponding amount owed to the student's FFEL loan, except for the interest that continues to accrue. SJU must access NSLDS to determine if the FFEL loan(s) have been purchased and/or are serviced by the Department. See Chapter 4, Volume 4 (Returning funds from FFEL loans purchased/serviced by the Department) of the FSA Handbook for additional guidance.

As proof of payment, a copy of the front and back of the canceled checks, or proof of electronic transfer of the funds, must be provided to Jacqueline Watford within 45 days of the date of this letter.

**Pell and ACG 2008 – 2009 – Closed Award Year**

Finding: 1  
Appendices: C - C2

SJU must repay:

Pell and ACG Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$ 8,838.00	\$ 403.86	Pell	2008 – 2009
\$ 750.00	\$ 37.60	ACG	2008 – 2009
<b>Total Principal</b>	<b>Total Interest</b>		
\$9, 580.00	\$ 441.46		

The disbursement record for each student identified in the C – C2 to the applicable finding(s) must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the C – C2.

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.

A copy of the adjustment to each student's COD record must be sent to Jacqueline Watford within 45 days of the date of this letter to the address below:

Jacqueline Watford  
Institutional Review Specialist  
U.S. Department of Education  
Federal Student Aid  
32 Old Slip, 25<sup>th</sup> Fl.  
New York, NY 10005

**Campus Based Programs**

Finding: 1  
Appendices: C2

SJU must repay \$1,375 in Federal Supplemental Education Opportunity Grant funds.

### **FISAP Corrections**

Finding: 1

Appendix: C2

SJU must make corrections to its FISAP for award year(s) 2008 – 2009 as follows:

- Log into eCB and make change(s) to the Working Copy, click on Submit and choose “Change Request”. Provide the justification for the changes in the comments box, including that the changes are a result of a program review or audit and include the PRCN 20102227112.
- Once the request is approved, submit the changes within 5 days.
- Changes to the FISAP may result in changes to subsequent FISAPS. Contact the eCB Call Center at (877) 801-7168 for assistance in making this determination.
- If the recalculation of the school’s funding results in an unprocessed deobligation (negative balance), return those funds via G5 in accordance with the automated notification from eCB.

SJU must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation (if applicable) to Jacqueline Watford **within 45 days of the date of this letter** to the address below:

Jacqueline Watford  
Institutional Review Specialist  
U.S. Department of Education  
Federal Student Aid  
32 Old Slip, 25<sup>th</sup> Fl.  
New York, NY 10005

Finding: 1

Appendices: C2

SJU must deposit \$2,750 in its Federal Perkins Loan Revolving Fund. National Student Loan Data System (NSLDS) must be corrected for each borrower to reflect the new reduced or cancelled Perkins Loan amount.

As a result of the unpaid returns and the resulting excess interest paid by the student(s), SJU must pay the total amount of \$2,838 by crediting each borrower’s Perkins loan for the amount identified in Appendix C2.

SJU must submit the following **within 45 days of the date of this letter** to Jacqueline Watford to the address below:

Jacqueline Watford  
Institutional Review Specialist  
U.S. Department of Education  
Federal Student Aid  
32 Old Slip, 25<sup>th</sup> Fl.  
New York, NY 10005

## 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.

# Appendix C

## Cost of Funds Calculation

Late or Unmade Returns (Loans) - Cost of Funds

Name of Institution St. John's University - 00282300 - Finding #1 Appendix - C1

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	WD 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
(b)(6); (b)(7(C))		\$1,000.00	FFEL Unsub	10/20/08	12/15/08	08/20/10	1/29/2009	568	0	568		6.00%	0.0000%	\$ -	\$ 93.37
		\$2,750.00	FFEL Sub	10/20/08	12/15/08	08/20/10	1/29/2009	568	150	418		6.00%	0.0000%	\$ 67.81	\$ 188.95
		\$48.87	FFEL Unsub	10/15/08	10/15/08	08/20/10	11/29/2008	629	0	629		6.00%	0.0000%	\$ -	\$ 5.05
		\$18.90	FFEL Unsub	03/07/09	03/13/09	08/20/10	4/27/2009	480	0	480		6.00%	0.0000%	\$ -	\$ -49
		\$53.40	FFEL Unsub	03/07/09	03/15/09	08/20/10	4/29/2009	478	0	478		6.00%	0.0000%	\$ -	\$ 4.20
		\$1,846.87	FFEL Unsub	05/12/08	06/12/08	08/20/10	6/26/2008	785	0	785		6.80%	0.0800%	\$ 3.18	\$ 270.10
		\$1,800.00	FFEL PLUS	10/20/08	12/15/08	08/20/10	1/29/2009	568	0	568		6.00%	0.0000%	\$ -	\$ 168.06
		\$2,305.94	FFEL Sub	03/18/09	06/01/09	08/20/10	7/16/2009	400	150	250		5.60%	0.0000%	\$ 53.07	\$ 88.44
		\$1,876.98	FFEL Unsub	03/18/09	06/01/09	08/20/10	7/16/2009	400	0	400		5.60%	0.0000%	\$ -	\$ 115.19
		\$490.00	FFEL Unsub	10/20/08	12/19/08	08/20/10	2/2/2009	564	0	564		6.00%	0.0000%	\$ -	\$ 45.43
		\$2,205.00	FFEL Sub	02/18/09	05/12/09	08/20/10	6/26/2009	420	150	270		6.00%	0.0000%	\$ 54.37	\$ 97.86
		\$2,940.00	FFEL Unsub	03/18/09	05/12/09	08/20/10	6/26/2009	420	0	420		6.00%	0.0000%	\$ -	\$ 202.98
		\$1,715.00	FFEL Sub	09/17/08	09/17/08	08/20/10	11/1/2008	657	150	507		6.00%	0.0000%	\$ 42.29	\$ 142.93
		\$980.00	FFEL Sub	09/17/08	09/17/08	08/20/10	11/1/2008	657	150	507		6.00%	0.0000%	\$ 24.16	\$ 81.67
		\$1,715.00	FFEL Sub	12/19/08	12/19/08	08/20/10	2/2/2009	564	150	414		6.00%	0.0000%	\$ 42.29	\$ 116.71
		\$980.00	FFEL Unsub	12/19/08	12/19/08	08/20/10	2/2/2009	564	0	564		6.00%	0.0000%	\$ -	\$ 90.88
		\$11,040.00	FFEL PLUS	12/19/08	12/19/08	08/20/10	2/2/2009	564	0	564		6.00%	0.0000%	\$ -	\$ 1,023.52

Total Principals \$ 33,765.96

\$ 287.17 \$ 2,738.81

\$ 3,023.98

Total DL Sub \$ -  
 Total DL Unsub \$ -  
 Total FFEL Sub \$ 11,670.94  
 Total FFEL Unsub \$ 9,255.02  
 Total PLUS \$ -

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

complete

Name of institution: St. John's University - 00282300 - Finding #1 - Appendix - C2

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	WD Date	Institution Det Date	Return Paid Date	Return Due Date	Days Late	Imputed CVFR	Federal Share	To ED	To Inst Accounts
(b)(6); (b)(7)(C)		\$375.00	FSEOG	03/18/09	3/18/2009	8/20/2010	05/02/09	475	3.00%	\$ 281.25	\$ 10.98	\$ -
		\$1,000.00	FSEOG	03/18/09	5/12/2009	8/20/2010	08/25/09	420	3.00%	\$ 750.00	\$ 25.89	\$ -
		\$1,940.00	Pell Grant	03/18/09	5/12/2009	8/20/2010	06/25/09	420	3.00%	\$ 1,940.00	\$ 66.97	\$ -
		\$1,250.00	Perkins	02/09/09	3/23/2009	8/20/2010	05/07/09	470	3.00%	\$ 937.50	\$ -	\$ 36.21
		\$375.00	ACG	09/17/08	9/18/2008	8/20/2010	11/02/08	656	3.00%	\$ 375.00	\$ 20.22	\$ -
		\$2,241.00	Pell Grant	09/17/08	9/17/2008	8/20/2010	11/01/08	657	3.00%	\$ 2,241.00	\$ 121.01	\$ -
		\$2,366.00	Pell Grant	12/19/08	12/19/2008	8/20/2010	02/02/09	564	3.00%	\$ 2,366.00	\$ 109.58	\$ -
		\$1,500.00	Perkins	12/19/08	12/19/08	08/20/10	02/02/09	564	3.00%	\$ 1,125.00	\$ -	\$ 52.15
		\$2,291.00	Pell Grant	12/19/08	12/19/08	08/20/10	02/02/09	564	3.00%	\$ 2,291.00	\$ 106.20	\$ -
		\$375.00	ACG	12/19/08	12/19/08	08/20/10	02/02/09	564	3.00%	\$ 375.00	\$ 17.38	\$ -

Total Returns	\$ 13,713.00
Total Campus Based	\$ 4,125.00
Totals By Program	
Pell Grant	\$ 8,838.00
FSEOG	\$ 1,376.00
Perkins	\$ 2,750.00
ACG	\$ 750.00
SMART	\$ -
TEACH	\$ -
FSEOG-No Match	\$ -
Perkins-No Match	\$ -

Totals \$ 478.33 \$ 88.36

**Interest Breakdown**

Pell Grant	\$ 403.88	\$ -
FSEOG	\$ 36.87	\$ -
Perkins	\$ -	\$ 88.36
ACG	\$ 37.50	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -



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JUN 24 2010

Reverend Donald Harrington JCM  
President  
St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439-1343

Certified Mail  
Return Receipt Requested  
7006 2760 0002 1738 4315

RE **Program Review Report**  
OPE ID 002823  
PRCN 20102227112

Dear Reverend Harrington JMC:

From February 23, 2010 through February 25, 2010, Maritza Phillips and Lydia Gonzalez conducted a review of St. John's University (SJU) administration of the program authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. 1070 et seq. (title IV, HEA programs). The findings of that review are presented in the enclosed report.

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

A sample of 15 files was identified for review from 2008/2009 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation 2) were selected for verification and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies the students whose files were examined during the program review.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by SJU. The response should include a brief, written narrative for each finding that clearly states SJU's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, SJU must provide supporting documentation as required in each finding.

Federal Student Aid, School Participation Team  
Financial Square, 32 Old Slip, 25<sup>th</sup> Floor  
New York, NY 10005-3534  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

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FEDERAL STUDENT AID  START HERE. GO FURTHER.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by SJU upon request. Copies of the program review report, the institution's response, 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 the FPRD is issued.

The institution's response should be sent directly to Maritza Phillips of this office within 60 calendar days of receipt of this letter.

**Protection of Personally Identifiable Information (PII):**

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

**Record Retention:**

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Maritza Phillips at 646-428-3751 or Maritza.Phillips@ed.gov.

Sincerely,

(b)(6)

Barbara Wingel  
Acting Team Leader

cc: Eileen Flood, Director of Financial Aid Administrator

Enclosure:

Protection of Personally Identifiable Information  
Program Review Report

bcc; Reading file, Correspondence file, School file, Maritza Phillips,  
Lydia Gonzalez, ERM

Prepared for

**St. John's University**

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START HERE  
GO FURTHER  
FEDERAL STUDENT AID

OPE ID 00282300

PRCN 201020227112

Prepared by

**U.S. Department of Education**

**Federal Student Aid**

**School Participation Team – New York/Boston Team**

# Program Review Report

JUN 24 2010

## Table of Contents

### Table of Contents

	Page
A. Institutional Information.....	3
B. Scope of Review.....	4
C. Findings.....	4
<b>#1 Inadequate Determination of Student Enrollment.....</b>	<b>4</b>
<b>#2 Incomplete Verification.....</b>	<b>6</b>
<b>#3 Federal Perkins Loan Exit Counseling Deficiencies.....</b>	<b>7</b>
Appendix A: Student Sample	

### Institutional Information

St. John's University  
8000 Utopia Parkway  
Jamaica, NY 11439-1343

**Type:** Private, Nonprofit

**Highest Level of Offering:** Master's Degree or Doctors's Degree

**Accrediting Agency:** Middle States – Higher Education

**Current Student Enrollment:** 22,553

**% of Students Receiving Title IV:** 50.3%, 2008-2009

**Title IV Participation:** Source -- Postsecondary Education Participants System (PEPS)

	<u>2008/2009</u>
Federal Pell Grant Program (Pell)	\$ 15,882,106
Federal Stafford, Subsidized	\$ 47,896,117
Stafford Unsubsidized	\$ 53,000,182
Federal PLUS	\$ 23,503,700
FSEOG	\$ 3,838,978
FWS	\$ 2,570,456
Perkins	\$ 3,838,978

<b>Default Rate FFEL/DL:</b>	2007	5.0%
	2006	4.0%
	2005	3.5%

<b>Default Rate Perkins:</b>	2007	6.5%
	2006	4.5%
	2005	8.2%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review of St. John's University (SJU) from February 23, 2010 through February 25, 2010. The review was conducted by Maritza Phillips and Lydia Gonzalez.

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

A sample of 15 files was identified for review from 2008/2009 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation 2) were selected for verification and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies 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 SJU'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 St. John of its obligation to comply with all of the statutory or regulations 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 St. John's to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding # 1. Inadequate Determination of Student Enrollment**

**Citation:** C.F.R. 668.22 (c) (iii) states that for a student who ceases attendance at an institution that is not required to take attendance without providing official notification to the institution, in writing or orally, of his or her intent to withdraw, the withdrawal date is the midpoint of the

payment period or the period of enrollment. Additional guidance provided in the 2008/2009 Federal Student Aid Handbook Volume 2 explains that if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

Failure to properly document a student's last day of attendance at an institution may result in the institution performing a return of Title IV calculation that could result in the institution keeping more Title IV funds that is entitled to, thereby creating an increased expense to the Department.

**Noncompliance:** the reviewers found that SJU's procedures to monitor students' enrollment status for purposes of determining Title IV eligibility is not adequate, specifically, for students who unofficially stop attending an academic term. The reviewers were unable to determine whether or not the following students who did not receive a passing grade had withdrawn unofficially for that semester.

**Student #6-** spring 2009 semester- the student received two (2) UW grades, one (1) F grade, and one (1) ABF grade. SJU provided a copy of an electronic folder comment sheet which indicated attendance activities. However, the only date provided in the narrative comment section was 2/5/09 which is the date prior to midpoint of the semester.

**Student #14-** fall 2008 semester-the student received three (3) UW grades and one (1) F grade. The last date of attendance to an academic related activity was not provided for any of the courses.

**Student #15-** fall 2008 semester- the last date of attendance at an academic related activity was not provided for any of the courses. SJU provided a copy of an email from a school official to another school official which stated that the professor submitted a grade of "F" based on his judgment at the time. However, the last date of attendance to an academic related activity was not provided.

**Required Action:** SJU is required to resolve the enrollment status for the above-mentioned students. Specifically, if the student started the classes and stopped attending unofficially, the school may use the midpoint of the payment period or period of enrollment or the school may use a documented last date of attendance at an academically related activity for the withdrawal date, and calculate the return of Title IV funds using that date. The institution must calculate the return of Title IV funds for those students who failed to complete at least one subject for the semester in question.

In addition, the institution must determine the exact amount of institutional liability associated with this finding. The institution is required to perform a full **file review** including the students

cited in this finding to identify all Title IV recipient students who did not complete at least one subject during the semester for award year **2008/2009**.

In response to this finding, the institution must submit copies of the students' academic transcripts, students' ledgers, return of Title IV calculation worksheets, if applicable and the results in spreadsheet format with the following information:

1. Student's Name;
2. Student's Social Security Number;
3. Award Year;
4. Date of student's last date of attendance of an academic related activity;
5. Date of the institution determination that the student withdrew or stopped attending;
6. Amounts of Title IV awarded and disbursed based on enrollment, organized by Title IV program;
7. Return of Title IV amount, if applicable, by program
8. Amount of Title IV due to the Department and or lender(s) organized by program

Instructions for repayment of any liabilities, including interest, will be provided in the final program review determination letter. SJU must devise and implement procedures that will prevent reoccurrence of this finding. A copy of those procedures must accompany the institution's response.

We are requiring that the results of this file review be sent to the following address within 60 days of receipt of this letter.

U.S. Department of Education  
Federal Student Aid  
Financial Square  
32 Old Slip, 25<sup>th</sup> Floor  
New York, NY 10005-3534  
**Attn: Maritza Phillips**

Instructions for repayment of any liabilities, including interest, will be provided in the Final Program Review Determination (FPRD) letter.

### **Finding # 2: Incomplete Verification**

**Citation:** An institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary of Education, to verify all of the applicable items specified in 34 C.F.R. 668.56 except that no institution is required to verify the applications of more than 30% of its total number of applicants for assistance under the Federal Pell Grant, Federal Direct Loan, Campus Based, and Federal Stafford Loan programs in an award year. 34 C.F.R. 668.54(a)(2)(i)

The data elements that are required to be verified when a student is selected for verification by the Department are identified at 34 C.F.R. 668.56, and the documentation acceptable for completing verification is specified at 34 C.F.R. 668.57

**Noncompliance:** SJU did not accurately verify information for student #8, who was selected for verification.

**Student #8** was selected for verification, but SJU records do not document that verification was completed. The student ISIR indicated that the student was independent married/remarried with two family members. The verification work sheet in his file did not list anyone other than himself as a family member. The ISIR also indicated that he worked and a tax return was filed in 2008. However, there was no copy of an income tax return in the student file for 2008.

**Required Action:** SJU must resolve the discrepancies in this finding. The institution must collect any missing documentation and perform all need analysis to confirm students' eligibility if information was revised as a result of verification. SJU is liable for the amount of any award in excess of the students' revised need. Additionally, the institution is liable for all title IV funds (except FPLUS/FSLs) awarded in the applicable award year if the required documentation cannot be collected and all recalculations performed for student # 8. Please note in cases where information on verification worksheets is revised, the changes must be initialed and the worksheet must be signed again by the required person.

Any liabilities identified must be reported by award year in response to this finding. FFEL amounts reported must reflect the certified amount, not the disbursed amount. In the case of multiple disbursements, where only one disbursement was made, report half of the amount certified. Instructions for repayment of any liabilities, including interest, will be provided in the Final Program Determination (FPRD) letter.

### **Finding #3: Federal Perkins Loan Exit Counseling Deficiencies**

**Citation:** 34 C.F.R. 668.42(6) states that the institution shall provide and collect exit counseling information as required by 34 C.F. R. 674.42 for borrowers under the Federal Perkins Loan Programs. 34 C.F. R. 674.42(b) further states that an institution for borrowers under the Federal Perkins Loan Program must conduct an in person exit interview with each FFEL and Perkins borrower shortly before the student ceases enrollment on at least a half-time basis in order to emphasize the obligation and consequences of default. General information such as repayment options, consolidation, and debt management strategies must also be provided to the borrower. If the borrower withdraws or graduates without the institution's prior knowledge and did not attend an exit interview, the institution must mail written counseling materials to the borrower within 30 days after learning the borrower has withdrawn or graduated.

The institution's failure to provide exit counseling may result in students being improperly informed concerning their Title IV loans which may, in turn, lead to an increase in the incidents

of default. Title IV loans that go into default status create increased expense for the U.S. Department of Education.

**Noncompliance:** SJU failed to maintain documentation substantiating the school's compliance with Perkins Loan exit counseling.

**Student #10** withdrew from the institution in the spring of 2009. This student received a Perkins loan on 2/7/08 in the amount of \$2,490 however, no documentation was found in the students' file that would indicate that the student received exit counseling.

**Required Action:** SJU must provide its assurances that exit loan counseling will be performed in a timely manner for all Perkins and FFEL borrowers. Additionally the institution must devise and implement procedures that will prevent reoccurrence of this finding. A copy of these procedures must accompany the institutions response.

## 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 and are encrypted with AES encryption.

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.

Appendix E

Institution's Written Response



Office of Student Financial Services

Maritza Phillips  
U.S. Department of Education  
32 Old Slip, 25th FL  
Financial Square  
New York, New York 10005

8000 Utopia Parkway  
Queens, NY 11439  
Tel (718) 990-2000  
Fax (718) 990-7553  
www.stjohns.edu

RE: Program Review Report  
OPE ID Number 002823  
PRCN 20102227112

Dear Ms. Phillips,

St. John's University reviewed the Program Review Report prepared based on the site visit conducted from February 23, 2010 through February 25, 2010.

As requested, the institution has performed a full file review of all title IV recipients, who did not complete at least one subject during the semester for the award year 2008-2009.

We are forwarding electronically, under separate encrypted email, the request for a full review of all title IV students who did not successfully complete at least one subject during the semester in the 2008-2009 academic year. This email will include a spreadsheet with the information in the format requested in the program review report.

The password for the encrypted file is: sjufile123

Under separate cover, the Institution will provide copies of student's academic transcript, ledger and title IV calculation worksheet if applicable.

Regarding the findings as indicated on the Program Review Report, the University's responses to the findings are as follows:

**Finding #1. Inadequate Determination of Student Enrollment**

**School's Position:**

St. John's University does not agree with this finding. St. John's University does have procedures in place to adequately monitor students' enrollment status for the purposes of determining Title IV eligibility.

In order to ensure that St. John's University was in compliance with 34 CFR 668.22, regarding title IV refunds, the University implemented in 2002, the grading policy of UW (unofficial withdrawal). The UW grade is an official grade as indicated in the University's Bulletin, which provides instructors the ability to differentiate between those students that completed the course, but failed to meet the objectives of the course, versus students that did not complete the course, or officially withdrew from the course.

The grade of an "F" is designated for students that have completed the course, but have failed to meet the course objectives.

The grade of UW (unofficial withdrawal), is awarded to students who did not officially withdraw from a course and who failed to participate in the course throughout the end of the academic period.

In order to ensure that all instructors are aware of the UW grade, at the beginning of each academic period, all academic units are reminded of the use of the UW grade versus the grade of "F" by the Office of the Registrar.

As indicated in the 2008-2009 Federal Student Aid Handbook, chapter 2, volume 5, page 5-72, if a student received at least one grade of "F", the student would be considered to have completed the course and like a student who received at least one passing grade, would not be treated as a withdrawal.

The University is confident that we are in compliance with CFR 668.22.

#### **Finding # 2: Incomplete Verification**

##### **School's Position:**

St. John's University does not agree that the information for student #8, who was selected for verification, was not accurately verified.

St. John's University did verify the student's file. While the ISIR indicates the student was married, the student was separated and provided the University with supporting documentation to that affect, which included proof of separate address and written statement confirming separation. The Independent Verification Worksheet, list only one in the household, which based on student's separation status is accurate.

St. John's University also collected a copy of the student's 2007 federal tax return. The student provided an alternative to the standard federal tax return in the form of a tax transcript which as required, was signed by the student.

Upon receipt of all required verification documentation, St. John's updated the FAFSA data which was originally reported by the student on the ISIR on our system version of the ISIR record. We ran the federal calculation and the student's federal EFC remained the same '0'. In accordance with federal guidelines, no correction to the ISIR was required since the EFC remained the same.

Supporting Documentation: In support of our position enclosed is a copy of the student's signed federal tax transcript for 2007, a signed copy of the student's Independent Verification Worksheet, supporting documentation of student's marital status as separated and a copy of the St. John's University data screens showing that data was updated and that the file was recalculated on January 9<sup>th</sup> 2009.

See Appendix A for supporting documentation.

#### **Finding #3: Federal Perkins Loan Exit Counseling Deficiencies**

##### **Schools position:**

The University concurs with this audit finding and recognizes the need and importance in strengthening controls to insure compliance with 34 C.F.R. 668.42.

Every effort will be made going forward to make absolutely sure that exit counseling will be performed in a timely manner for all Perkins and FFEL borrowers. St. John's has devised and implemented procedures that will prevent the reoccurrence of this finding.

Current Process:

Reports are run on a regular basis to identify students who have withdrawn from the University. Federal Perkins recipients are identified and information about their withdrawal status is passed to the Federal Perkins Loan Area. Upon notification of the change in status letters are mailed informing students of the exit interview requirement along with instructions on how to complete the exit counseling session on-line by interactive electronic means. A copy of this notification is placed in the student's file. In addition an Exit Interview Requirement is posted to the student's personal University Information System Account (UIS). The posting of this requirement is immediately visible to the student via UIS and creates a direct link to the University's third party servicer ACS.

The posting of this requirement enables the university to track the completion of the Exit Interview. Written counseling materials are mailed to the students who fail to complete an Exit Interview.

New procedures implemented to prevent reoccurrence of finding # 3 are as follows:

- Federal Perkins recipients who withdraw from the University will have the Exit Interview requirement and a corresponding UIS message posted immediately via an automated process to their personal UIS account. This requirement and message will trigger an exit letter to be printed and mailed immediately. This will insure that students will be notified of their exit counseling obligation timely and eliminate the manual process.
- In addition a monthly audit of ten files will be conducted to insure that all proof of exit interview notification is properly recorded in student files.

Thank you for the opportunity to respond to the Program Review, and if you have any questions, do not hesitate to contact me at 718-990-1485.

Sincerely,



Jorge Rodriguez  
Associate Vice President  
Student Financial Services

Cc: President's Office

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

**Institution:** St. John's University

**City, State:** Jamaica, New York

**PRCN:** 2227112

**TIN:** 111630830

**DUNS:** 073134744

**Reviewer:** Jacqueline Watford **Region:** New York/Boston **Date:** April 30, 2013

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

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	\$ 8,838	3220RNOYR	69017
	Interest	\$ 403	1435RNOYR	64020
ACG	Principal	\$ 750	3220RNOYR	69017
	Interest	\$ 37	1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal	\$ 1357	3220RNOYR	69017
	Interest	\$ 36	1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL	\$ 287	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, ACG, SMART, TEACH	Program / Award Year	Principal		3875FNOYR	69020
	Program / Award Year	Imputed Interest		1435RNOYR	64020
Direct Loan (do not use for estimated loss)	Award Year	Principal		3875FNOYR	69020
	Award Year	Imputed Interest		4253XNOYR	53040