



May 9, 2014

Dr. Jack Hawkins, Jr., Chancellor
Troy University
University Avenue
216 Adams Administration Building
Troy, AL 36082-0001

UPS, Tracking #: 1ZA879640290313244

RE: **Final Program Review Determination**
OPE ID: 00104700
PRCN: 2013-4-04-28404

Dear Dr. Hawkins:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on February 3, 2014, covering Troy University's (Troy) 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 2009-2010, 2010-2011 and 2011-2012 award years. The institution's final response was received on April 9, 2014.

The School Participation Division – Atlanta has reviewed Troy's response to the Program Review Report. A copy of the program review report (and related attachments) and Troy's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Troy 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.

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

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Atlanta

61 Forsyth Street, SE; Suite 18T40; Atlanta, GA 30303

StudentAid.gov

If you have any questions, please call Meg McGinness at (404) 974-9288.

Sincerely,

(b)(6)

Chris Miller
Division Director

Enclosures: Appendix A: Program Review Report (with attachments)
Appendix B: Troy's Response to the Program Review Report

cc: Angela Johnson, Financial Aid Administrator
Alabama Commission on Higher Education
Southern Association of Colleges and Schools, Commission on Colleges

Final Program Review Determination
PRCN #: 2013-4-04-28404

Appendix A
Program Review Report



February 3, 2014

Dr. Jack Hawkins, Jr., Chancellor
Troy University
University Avenue
216 Adams Administration Building
Troy, AL 36082-0001

UPS, Tracking #: 1ZA879640193141195

RE: Program Review Report
OPE ID: 00104700
PRCN: 2013-4-04-28404

Dear Dr. Hawkins:

From August 26, 2013 through August 30, 2013, Ms. Meg McGinness conducted a review of Troy University's (Troy) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

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 the finding, indicating the corrective actions taken by Troy. The response should include a brief, written narrative for the finding that clearly states Troy's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Troy must provide supporting documentation as required in the finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

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

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

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School Participation Division – Atlanta

61 Forsyth Street, S. W. ; Suite 18T40; Atlanta, GA 30303

inspection by Troy 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 Ms. Meg McGinness of this office within 30 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 finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Funds Disbursed at the Ineligible/Unreported Additional Location. 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 data / 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 Ms. Meg McGinness at (404) 974-9288 or margaret.mcginness@ed.gov.

Sincerely,

Chris Miller
Compliance Manager

cc: Angela M. Johnson, Financial Aid Administrator

Enclosure:
Protection of Personally Identifiable Information

Prepared for
Troy University

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OPE ID: 00104700
PRCN: 2013-4-04-28404

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

Program Review Report

February 3, 2014

Table of Contents

	Page
A. Institutional Information.....	3
B. Scope of Review.....	4
C. Findings	4
Finding #1	4
D. Appendix	5

Appendix A: Funds Disbursed at the Ineligible/Unreported Location

A. Institutional Information

Troy University
University Avenue; 216 Adams Administration Building
Troy, AL 36082-0001

Type: Public

Highest Level of Offering: Doctoral Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges (SACS)

Current Student Enrollment: 26,172 (2011/2012)

% of Students Receiving Title IV: 77% (2011/2012)

Title IV Participation (per PC Net School Funding Report)

2011 -- 2012

Federal Pell Grant Program (FPell)	\$ 40,443,194
Federal Direct Loan Program (FDL)	\$167,164,855
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 692,653
Federal Work Study (FWS)	\$ 1,024,788

2-year CDR FFEL/DL:	2011	9.3%
	2010	9.6%
	2009	10.0%

Perkins Default Rate:	2012	29.5%
	2011	21.3%
	2010	36.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Troy University (Troy) from August 26, 2013 to August 30, 2013. The review was conducted by Ms. Meg McGinness.

The focus of the review was to identify Title IV funds disbursed in all award years from any unreported, additional locations. The review consisted of an examination of Troy's policies and procedures concerning admissions, academic programs, satisfactory academic progress and attendance as well as institutional and financial aid consumer publications, data related to current enrollment and the percentage of students receiving Title IV aid and the Recipient Data Spreadsheet which identified students who received Title IV, HEA program funds from unreported additional locations during the award years in question.

Disclaimer:

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

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

C. Findings

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

Finding #1: Ineligible, Unreported Additional Location

Citation: A fully certified, eligible institution is required to report the establishment of an accredited and licensed additional location where it offers or will offer 50% or more of a Title IV eligible educational program and must report the licensed and accredited location to the Department within 10 days of its establishment. Once the location is reported, the school may disburse funds at that location. If the institution fails to report the location to the Department within the aforementioned timeframe, adverse action may be taken against the institution. See 34 C.F.R. § 600.21 (a), (d) and (e).

Noncompliance: During the 2009-2010 award year, Troy began graduate program instruction in Marianna, Florida at 3094 Indian Circle; Marianna, FL 32446. In January of 2010, Troy began offering 50% or more of an educational program at that location, however, Troy did not obtain SACS accreditation for that location. Troy closed the location December 31, 2012.

Although Troy was fully certified at the time that the additional location was established, the Marianna, Florida location was not properly licensed and/or accredited when Troy began offering 50 % or more of an eligible educational program at that location. Failure to establish eligibility (proper accreditation and licensure) for additional locations prior to the disbursement of Title IV funds results in the institution receiving funding to which it is not entitled and creates a financial burden for the Department.

Troy was required to provide a spreadsheet to the Department for all Title IV, HEA program funds disbursed to students, by award year, attending the ineligible location. (Appendix A). Based on the data provided, Troy disbursed a total of \$148,701.41 in Title IV, HEA program funds to students enrolled at the ineligible location in Marianna from January, 2010 through December, 2012 when Troy closed the location. Troy was required to provide a listing (by award year) of all students who received Title IV, HEA program funds and were enrolled at the unapproved location in Marianna, FL prior to December 31, 2012. Based upon the Department's review, Troy disbursed a total of \$67,997.33 in Unsubsidized Stafford Loans and \$80,704.08 in Subsidized Stafford loans prior to the date of the closure of the location.

Required Action: As described above, the Title IV, HEA program funds that Troy received at the unreported additional location are liabilities that must be repaid to the Department. See 34 C.F.R. §600.10(b)(3); 600.20(f)(5); 600.21(e). Troy must provide confirmation of the total Subsidized and Unsubsidized Stafford Loan disbursements in its response to this Program Review Report. The Department will calculate an estimated actual loss for loans that were disbursed to these students. Upon receipt of Troy's response to this Program Review Report, the Department will provide Troy with a Final Determination Letter that will outline an explanation of the estimated actual loss calculation, liability and payment instructions.

Troy must adhere to the requirements for accreditor and Department approval prior to adding any future additional locations. Any further violations may result in a referral to the Department's Administrative Actions and Appeals Services Group.

D. Appendix

Appendix A (Funds Disbursed at Ineligible/Unreported Additional Location) contains personally identifiable information and will be emailed to Troy as an encrypted WinZip file using encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

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.

	A	B	C	D	E	F	TROY	Recipient data	without names.xls	K	L	M	N	O			
1																	
2																	
3																	
4																	
	Actual disbursements to students for the award year 2009-2010																
5	Student #	\$PELL	\$ACG	\$SMART	\$TEACH	\$FSEOG	\$FWS	\$PERKINS	\$SUB	\$STAFFORD	\$SUNSUB	\$EPLUS	\$SUB	\$DIRECT	\$SUNSUB	\$EPLUS	CURRENT ENROLLMENT STATUS
6	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,372.49	\$10,769.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Not Enrolled
7	2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,093.12	\$2,955.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	H
8	3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,955.00	\$4,186.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	G
9	4	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,186.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	G
10	5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,955.00	\$2,093.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	G
11	6	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,186.25	\$5,910.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Not Enrolled
12	7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,955.00	\$2,093.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	G
13	8	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,581.99	\$7,180.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	G
14	9	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,791.49	\$1,150.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Not Enrolled
15																	

