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May 28, 2014

Dr. Judith Bense
President
University of West Florida
11000 University Parkway
Pensacola, Florida 32514-5750

UPS Tracking Number
1ZA879640291265536

RE: **Final Program Review Determination**
OPE ID: 00395500
PRCN: 201320428220

Dear Dr. Bense:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on August 16, 2013 covering University of West Florida's (UWF) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2011-2012 and 2012-2013 award years. The institution's final response was received on November 1, 2013.

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

UWF's response has resolved all findings. In addition, UWF has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, UWF 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)].

If you have any questions please call Jon Finkelstein at 404-974-9341.

Sincerely,

(b)(6)



Chris Miller
Division Director

Enclosure: Program Review Report (with attachments)
UWF Response to the Program Review Report

cc: Ms. Shana Gore, Interim Financial Aid Administrator
Florida State University System of Florida - Board of Governors
Southern Association of Colleges and Schools Commission on Colleges

Prepared for
**University of West
Florida**

Federal Student Aid
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**OPE ID 00395500
PRCN 201320428220**

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

Program Review Report

August 16, 2013

Atlanta School Participation Division
61 Forsyth Street SW, Room 18T40
Atlanta Georgia 30303-8918
www.FederalStudentAid.ed.gov

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Institutional Information

University of West Florida
11000 University Parkway
Pensacola, Florida 32514-5750

Type: Public

Highest Level of Offering: Doctorate

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Student Enrollment: 12677

Percentage of Students Receiving Title IV: 53.4%

Title IV Participation – Postsecondary Education Participants System (PEPS)

2011-2012

Federal Pell Grant Program	\$ 15,388,003
Federal Direct Loan Program (FDLP)	\$ 45,996,934
Federal Perkins Loan Program	\$ 483,836
Federal Work Study Program	\$ 412,027
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 230,643
Total:	<u>\$ 62,511,443</u>

Default Rate FDLP:	2010	5.8%
	2009	5.5%
	2008	3.8%

Default Rate Perkins:	2011	15.7%
	2010	11.6%
	2009	6.9%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at University of West Florida (UWF) from March 18, 2013 to March 22, 2013. The review was conducted by Jon Finkelstein and Robert Scott.

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

A sample of 30 files was identified for review from the 2012 and 2013 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names of the students whose files were examined during the program review.

Disclaimer:

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

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

C. Findings

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

Finding 1: Pell Over Award

Citation: 34 C.F.R. § 690.63 (a) states programs using standard terms with at least 30 weeks of instructional time. A student's Federal Pell Grant for a payment period is calculated under paragraphs (b) or (d) of this section if—

- (i) The student is enrolled in an eligible program that—
 - (A) Measures progress in credit hours;

(B) Is offered in semesters, trimesters, or quarters; and

(C) Requires the student to enroll for at least 12 credit hours in each term in the award year to qualify as a full-time student; and

(ii) The program uses an academic calendar that provides at least 30 weeks of instructional time in—

The 2012-2013 Federal Student Aid Handbook, Volume 1, pp.14 states if a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are eligible remedial courses. This means you cannot award the student aid for classes that do not count toward his/her degree or certificate.

Noncompliance: Student 13 enrolled in four courses for the fall 2011 semester. This was the final semester of enrollment prior to graduation. Only two of the four courses counted toward the requirements for the degree (Political Science/Pre-Law). Painting Non-Majors (Art 3507C) and Spy: Fact and Fiction (INR4990) did not count as requirements for the degree. As such, the student was only eligible for half time Pell Grant eligibility. The student was over awarded \$1,375.00 in Pell Grant funds for the fall 2011 semester.

Required Action: UWF will be liable for any Title IV, HEA funds disbursed to students for coursework that was not required for the program of study. Payment instructions for any liability associated with this finding will be provided in the Department's Final Program Review Determination letter.

In response to this Program Review Report, UWF must revise its awarding policy/procedures to ensure that coursework not required for a student's program of study is not used to determine Title IV eligibility. A copy of the revised awarding policy/procedures document must be provided with UWF's response to this Program Review Report.

Finding 2: Return to Title IV (R2T4) Calculation Errors – Exclusion of Book and Supply Charges From Institutional Charges

Citation: 34 C.F.R. § 668.22 (a) states when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date.

The 2013-2014 Student Aid Handbook, Volume 4, Chapter 2, pp.48 includes a side bar titled "Book Vouchers and Institutional Charges in the Return of Title IV Funds Calculations". This sidebar states, "Remember, if a book voucher issued by a school cannot be used to purchase course materials from a convenient unaffiliated source, the student does not have a real and reasonable opportunity to purchase his or her course materials elsewhere. In that case, the school

must include the cost of books and materials purchased with the voucher as institutional charges in Step5, part L of any Return of Title IV funds calculation.”

Noncompliance: UWF has a policy that allows students to purchase books and supplies in the University bookstore if his/her financial aid exceeds his/her total charges. In these instances, students do not have a convenient unaffiliated option for the books and supplies purchase. As such, UWF must include the bookstore charge amount in the institutional charges section of the R2T4 calculation.

Student 14 had a bookstore charge of \$200.43 on her student ledger for the spring 2012 semester. She purchased her books/supplies in the University bookstore based on the fact that her Title IV aid exceeded her charges. Student 14 withdrew during the spring 2012 semester. The bookstore charge (\$200.43) was not included in her original R2T4 calculation.

Required Action: UWF disclosed to the reviewer that this error had been discovered prior to the program review. UWF presented the reviewers with documentation demonstrating that 60 adjustments had been made for students who withdrew during the 2011-2012 academic year (UWF conducted a full review of all withdrawn students). Student 14 was included in this documentation. UWF advised that beginning with the fall 2012 semester, the books and supply charges for affected students are included in the institutional charges section of the R2T4 calculation.

The Department has accepted the documentation provided by UWF and will not require a file review for this finding. In response to this Program Review Report, UWF must submit a written R2T4 policy/procedures document that includes the inclusion of book and supply charges in the institutional charges section of the R2T4 calculation for students that are issued a voucher and do not have a reasonable opportunity to purchase the books and supplies at a convenient unaffiliated location.

Finding 3: Return to Title IV Calculation Errors – Incorrect Calculation of Number of Days in Scheduled Break

Citation: 34 C.F.R. § 668.22 (a) states when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student’s withdrawal date.

34 C.F.R. § 668.22 (e)(2) states the percentage of Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period or period of enrollment that the student completed as of the student’s withdrawal date.

34 C.F.R. § 668.22 (i) states the total amount of unearned Title IV assistance to be returned is equal to the total amount of institutional charges incurred by the student for the payment period

or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student.

34 C.F.R. § 668.22 (g) states that the institution must return, in the order specified in paragraph (i) of this section, the lesser of—

(i) The total amount of unearned title IV assistance to be returned as calculated under paragraph (e)(4) of this section; or

(ii) An amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of title IV grant or loan assistance that has not been earned by the student, as described in paragraph (e)(3) of this section.

The 2012-2013 Federal Student Aid handbook, Volume 5, Chapter 1, pp.72 states Institutionally scheduled breaks of five or more consecutive days are excluded from the Return calculation as periods of nonattendance and, therefore, do not affect the calculation of the amount of Federal Student Aid earned. In addition, the sidebar on pp. 72 states, in determining the length of a scheduled break:

- Determine the last day that class is held before a scheduled break—the next day is the first day of the scheduled break.
- The last day of the scheduled break is the day before the next class is held.

Noncompliance: UWF provided documentation attesting to the calculation of the scheduled spring 2012 break. UWF stated that classes are held on Saturdays. UWF's calculation listed the first day of the break as Monday, 3/19/2012. The last day of the break was listed as Saturday, 3/24/2012. This calculated resulted in a 6 day break.

The correct calculation of the break begins with the next day after the day that class is held before the scheduled break (Sunday, 3/18/2012) to the day before classes resume (Sunday, 3/25/2012). The correct calculation resulted in an 8 day break.

Required Action: UWF incorrectly calculated the number of scheduled days to exclude from the total days in the spring 2012 payment period (2 days off). The error resulted in an underestimate of the amount of aid earned by each effected student. This underestimate of the amount of aid earned resulted in an overestimate of the amount of unearned aid. As a result, UWF returned excess funds to the Department for each effected student.

UWF must correct its calculation of the number of days to exclude from the total days in a payment period for R2T4 purposes. The miscalculation has placed an undue hardship on each withdrawn student who returned more funds to the Department than was required. In response to this Program Review Report, UWF must submit a revised R2T4 policy/procedures document to the Department that incorporates the correct calculation method.

Finding 4: Return of Title IV Funds (R2T4) Made Late

Citation: 34 C.F.R. § 668.22 of the Student Assistance General Provisions specifies the treatment of Title IV funds when a student withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student must be determined.

If a student provides official notification of his or her intent to withdraw, the date of the institution's determination that the student withdrew is the date the student began the official withdrawal process, or the date of notification, whichever is later. For a student who withdraws without providing notification from an institution not required to take attendance, the institution must determine the withdrawal date no later than 30 days after the end of the earlier of the payment period or the period of enrollment, the academic year, or the student's educational program.

34 C.F.R. § 668.22 (j)(1) states an institution must return the amount of Title IV aid for which it is responsible as soon as possible but not later than 45 days after the date of the institution's determination that the student withdrew.

Noncompliance: During the course of the review, one student from the original sample was identified with a late R2T4 calculation. In addition, three students were identified from documentation submitted by UWF per the reviewer's request. These three additional students were not included in the original sample. The table below provides student specific information.

Student Sample Number or UWF Student Number (970-XX-XXXX)	Withdrawal Determination Date	Title IV Program – Return Amount	Date of Return	Days Late
(b)(6)	03/14/2012	Unsubsidized Stafford Loan \$475.54	5/25/2012	26
	3/14/2012	Unsubsidized Stafford Loan \$773.29	5/30/2012	31
	9/6/2011	Unsubsidized Stafford Loan \$1,950.04	2/14/2012	111

(b)(6)	3/8/2012	Unsubsidized Stafford Loan \$639.80	5/30/2012	37
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Required Action: An institution must return the amount of Title IV funds for which it is responsible as soon as possible but not later than 45 days after the date of the institution's determination that the student withdrew. Continued violations may result in undue cost to the Department. In response to this Program Review Report, UWF must review and revise its R2T4 Policy/Procedures to ensure that repeat violations are avoided. A copy of the revised R2T4 Policy/Procedures document must be included in UWF's response to this Program Review Report.

Finding 5: Return of Title IV Funds (R2T4) Not Made

Citation: 34 C.F.R. § 668.22 states that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance (not including Federal Work Study or the non-Federal share of Federal Supplemental Educational Opportunity Grant (FSEOG) awards if the institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned as of the student's withdrawal date.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but not later than 45 days after the date of the institution's determination that the student withdrew.

Noncompliance: Students 12 withdrew during a payment period in which she began attendance. The student withdrew after the 60% mark of the spring 2012 semester, thereby earning 100% of her Title IV aid for the payment period. In instances in which the student withdraws after the 60% mark of the payment period, the school is required to complete the R2T4 calculation despite the fact that no funds will be returned to the Department. The institution provided the R2T4 calculation to the reviewers during the on-site visit.

Required Action: UWF must perform a R2T4 calculation for all students that begin a payment period and subsequently withdraw before completing the payment period. This includes students who withdraw after the 60% completion mark of the payment period.

UWF must revise its R2T4 policy/procedures to ensure future compliance. The revised policy/procedures document must be submitted in response to this Program Review Report

Finding 6: Failure to Adjust Direct Loan

Citation: 34 C.F.R. § 668.165 (a) states before an institution disburses title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the