



June 9, 2015

Dr. Algeania W. Freeman
President
Wilberforce University
1055 North Bickett Road
Wilberforce, OH 45384-1001

Certified Mail Return Receipt Requested
Return Receipt 7012 1640 0000 0216 6615

RE: **Final Program Review Determination**
OPE ID: 00314100
PRCN: 2011-2-05-27495

Dear President Freeman:

The U.S. Department of Education's (Department's) School Participation Division – Chicago/Denver issued a program review report on March 19, 2015 covering Wilberforce University's (Wilberforce) 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 2009-2010 and 2010-2011. Wilberforce's final response was received on May 20, 2015. A copy of the program review report (and related attachments) and Wilberforce's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Wilberforce 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 close the review.

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.

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).

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division – Chicago/Denver

500 West Madison, Suite 1576, Chicago, IL 60661-4544

StudentAid.gov

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 Donna Sobie at 312-730-1714.

Sincerely,

Douglas A. Parrott
Division Director

Enclosure:

Protection of Personally Identifiable Information
Program Review Report (and appendices)
Final Program Review Determination Report (and appendices)

cc: Dr. Carlos Clark, Assistant Vice President For Enrollment Management
OH Board of Regents
North Central Association of Colleges and Schools, the Higher Learning Commission
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

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Prepared for:

Wilberforce University

OPE ID: 00314100
PRCN: 2011-2-05-27495

Prepared by

U.S. Department of Education
Federal Student Aid
Chicago/Denver School Participation Division

Final Program Review Determination
June 9, 2015

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A. Institutional Information

Wilberforce University
1055 North Bickett Road
Wilberforce, OH 45384-1001

Type: Private, Non-profit

Highest Level of Offering: Master's Degree

Accrediting Agency: North Central Association of Colleges and Schools - CIHE

Student Enrollment 2012-13: 600

Percentage of Students Receiving Title IV for 2012 Enrollment Year: 80.00%

Title IV Participation (PEPS):

	<u>2011-2012</u>
Federal Direct Loan Program	\$4,642,846
Pell Grants	\$2,266,087

Default Rate FFEL/DL:	2011 11.8%
	2010 6.2%
	2009 11.1%

Default Rate Perkins:	2014 45.7%
	2013 30.3%
	2012 41.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Wilberforce University (Wilberforce) from March 28, 2011 to April 1, 2011. The review was conducted by Mr. Mark Holland, Ms. Briget Jans, Mr. David Musser and Ms. Rosa Reth.

The focus of the review was to determine Wilberforce'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 Wilberforce's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, review of the Jeanne Cleary Disclosure of Campus Security Policy and Campus Crime Statistics Act (*the Cleary Act*), attendance records, student account ledgers, and fiscal records.

A sample of 33 files was identified for review from the 2009-10 and 2010-11 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on March 19, 2015.

Disclaimer:

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

C. Findings and Determinations

Resolved Findings

Finding(s) 1-2, 4, 7-8, and 10-11:

Wilberforce has taken the corrective actions necessary to resolve findings 1-2, 4, 7-8, and 10-11 of the program review report. Therefore, these findings may be considered closed. The institution's written response to the resolved findings can be viewed in Appendix C. Findings requiring further action by Wilberforce are discussed below.

Findings with Final Determinations

The program review report finding(s) requiring further action are summarized below. At the conclusion of each finding is a summary of Wilberforce's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on March 19, 2015 is attached as Appendix B.

Finding #3: Improper Verification

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

An institution shall require an applicant selected for verification to submit acceptable documentation described in § 668.57 that will verify or update the following information used to determine the applicant's expected family contribution:

- (1) *Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.*
- (2) *U.S. income tax paid for the base year if base year data was used in determining eligibility.*
- (3) *For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents and for an applicant who is an independent student, the number of family members in the household of the applicant.*
- (4) *The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.*
- (5) *The following untaxed income and benefits for the base year if base year data was used in determining eligibility—*
 - (i) *Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;*
 - (ii) *Child support if the institution has reason to believe that child support was received;*
 - (iii) *U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;*
 - (iv) *Interest on tax-free bonds;*
 - (v) *Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received;*
 - (vi) *The earned income credit taken on the applicant's tax return; and*

- (vii) *All other untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms. 34 C.F.R. § 668.56(a).*

Student need for Title IV funds is determined based on subtracting the student's EFC from the cost of attendance. An institution may only award and disburse Title IV funds to a student if those funds, combined with the other resources the student receives, do not exceed the student's financial need. Funds disbursed to students in excess of need are improperly disbursed to ineligible students, which allow students to receive funds to which they are not entitled. This causes increased expense to the Department and reflects an inability by the institution to properly administer the Title IV programs.

Noncompliance: *The Department has determined that in testing thirty-three files, two students selected for verification were incorrectly verified. The students were #'s 14 and 31.*

The following are the errors associated with each student:

Student #14: The student's mother filed as the head of household for the family. However, per documents in the student file and on the FAFSA, the parents of the student were married. Therefore this is considered to be an inaccurate verification, which may affect the entire award if it changes the student's Pell eligibility.

Student # 31: The verification worksheet included in the file does not reflect all three members of the household, which appear on the ISIR. Therefore, the institution inaccurately verified the student in question.

Required Action: *Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:*

- Develop and implement new policies and procedures that will ensure that the institution performs accurate verification for all students selected.*
- The institution should conduct annual verification training with staff to ensure regulatory compliance.*
- Since the students in question, #14 and #31, are part of the annual audits in which the institution was required to perform a full file review for verification, any liabilities associated with these students will be addressed in those reports. However, the institution should address the verification resolution for those students within their response to this report.*

A copy of the above stated corrective actions must be submitted in response to this report.

Wilberforce's Response (Abbrev.): *The University has developed policies and procedures to manage our various financial aid processes (including Verification). In addition, the University has also formed a partnership with the College Board and is in the process of implementing their Institutional Documentation Service (IDOC) and PowerFAIDS.*

Through the institutional Documentation Service (IDOC) Wilberforce has contracted with the College Board to collect families' federal tax returns and other documents on their behalf. The College Board notifies students selected by the U. S. Department of Education and Wilberforce that they must submit the required documents. The notification identifies the colleges and programs for which the documents are being collected, as well as the deadline date for submitting the documents to the College Board.

The College Board determines whether the materials submitted by the family are ready for processing (required documents are included, legible, and able to be scanned). If ready for processing, the materials in each packet, including the cover sheet, are scanned and images of the documents are made available for viewing on the College Board's secure website.

If documents cannot be processed a letter is sent to the student explaining how to submit a valid packet.

After the documents are scanned, data from the tax forms are key-entered and an electronic record is created. This record contains information captured from the IDOC cover sheet and from tax documents in the packet including:

- Students' identifying information (name, address, etc.)
- Student social security number and CSS ID, if present
- Identity of person(s) submitting documents (parent, student, noncustodial parent)
- Parents' social security numbers
- Student's email address
- IDOC packet receipt date
- Type and number of documents received in the packet. Each tax schedule is identified as a separate document type.
- Information from pages 1 and 2 of the federal tax return(s), including a signature present indicator and the tax filer's social security number. (Generally, the data elements keyed will correspond to taxable income captured on the PROFILE Application and used in the need analysis).
- Information from W-2 forms
- Selected information from tax schedules

Once the IDOC packet is processed, electronic data records are created in a uniquely defined layout and made available via data delivery. Wilberforce can then load their IDOC data to PowerFAIDS.

To conclude, additional training will be provided. ProEd Solutions has published a number of videos regarding the financial aid process, verification, resolving C-flags.

The institution's written response to the resolved findings can be viewed in Appendix C.

Final Determination: As part of the annual audit in which Wilberforce was required to perform a full file review for verification, any liabilities associated with the two students listed in finding #3 were addressed in the audit report. Wilberforce has satisfactorily addressed the two students in the finding.

The Verification Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Wilberforce acknowledges their responsibility to follow the required steps for all students selected for verification by the Department. Wilberforce has contracted with the College Board to obtain the necessary documents to properly complete the verification process. In addition, Wilberforce has supported additional training to ensure regulatory compliance. Therefore, these findings may be considered closed. Appendices C contain Wilberforce's written response related to the resolved findings, including the summary of the Verification Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

Finding #5: Return of Title IV Funds Made Late

Citation: Under 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations, if a Title IV recipient withdraws from an institution during a payment period or period of enrollment for which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. An institution that fails to make refunds in a timely manner demonstrates a lack of administrative capability.

34 C.F.R. § 668.22(a) requires that an institution must return to the appropriate program account or promissory note holder Title IV funds not earned by a student at the time he or she withdraws from the institution.

34 C.F.R. § 668.22(c) states for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is:

- (i) The date, as determined by the institution, that the student began the withdrawal process prescribed by the institution;
- (ii) The date, as determined by the institution, that the student otherwise provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- (iii) If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period;
- (iv) If the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance;
- (v) If a student does not return from an approved leave of absence, the date that the institution determines the student began the leave of absence; or
- (vi) If a student takes a leave of absence that does not meet the requirements, the date that the student began the leave of absence.

Noncompliance: The Department has determined that in testing thirty-three files, one student's Return of Title IV refund was made late. The student was #31.

Student #31: The student's Last Date of Attendance (LDA) was determined to be 2/19/10. The institution completed the R2T4 calculation worksheet on 3/10/10. However, the institution failed to return all funds in a timely manner. Wilberforce returned the Unsubsidized Stafford Loans owed on 1/29/11, or 270 days late.

Required Action: The institution is liable to the Department for the cost of funds interest on the improperly retained funds. Since the amount of this liability, if quantified, would be de minimis, no demand for payment is made at this time.

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- *Continue to monitor policies and procedures that will ensure that the institution performs timely Return to Title IV calculations.*
- *The institution should conduct annual Return to Title IV training with staff to ensure regulatory compliance.*

A copy of the above stated corrective actions must be submitted in response to this report.

Wilberforce's Response: The University has developed policies and procedures to manage our various financial aid processes (Including Return to Title IV).

In addition to creating and implementing revised policies and procedures, Wilberforce University is investing in financial aid training opportunities for its staff members. For example, four financial aid staff members will be attending the Midwest Association of Students Financial Aid Administrators (MASFAA) Summer Institute in Indianapolis, IN from June 1, 2015 to June 5, 2015. The instructors will provide instruction on Return to Title IV as well as a plethora of other financial aid topics.

New staff is also required to complete the web-based training at the U.S. Department of Education's web page, <http://fsatraining.info/>.

Final Determination: The Return of Title IV Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Wilberforce acknowledges their responsibility to follow the required steps for all students that withdraw or are dismissed. In addition, Wilberforce has invested in financial aid training for their staff, including having staff attend MASFAA's Summer Institute. Their new staff will complete the Department's web-based training. The Department recommends annual training for all staff working with Title IV processing to ensure compliance with all federal regulations. Wilberforce has taken the necessary steps to update their policies and procedures, and provide necessary training opportunities to ensure regulatory compliance. Therefore, these findings may be considered closed. Appendix C contains Wilberforce's written response related to the resolved findings, including the summary of the Return of Title IV Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

Finding #6: Return of Title IV (R2T4) Calculation Error

Citation: *Under 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations, if a Title IV recipient withdraws from an institution during a payment period or period of enrollment for which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. An institution that fails to make refunds in a timely manner demonstrates a lack of administrative capability.*

- (1) *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.

- (2) For purposes of this section, "institutional charges" are tuition, fees, room and board (if the student contracts with the institution for the room and board) and other educationally-related expenses assessed by the institution.*
- (3) If, for a non-term program an institution chooses to calculate the treatment of title IV assistance on a payment period basis, but the institution charges for a period that is longer than the payment period, "total institutional charges incurred by the student for the payment period" is the greater of—*
- (i) The prorated amount of institutional charges for the longer period; or*
 - (ii) The amount of title IV assistance retained for institutional charges as of the student's withdrawal date.*

Noncompliance: *The Department has determined that in testing thirty-three files, one student's Return of Title IV calculation was done incorrectly. The student was #31.*

Student #31: The student's Last Date of Attendance (LDA) was determined to be 2/19/10. The R2T4 calculation, which was done on 3/10/10, included incorrect institutional charges. Wilberforce included the cost of books which could be purchased elsewhere as part of the institutional charges. As a result, the institution returned \$2,981.00 when they should have only returned \$2,585.00. Wilberforce over-returned in the calculation by \$396.00.

Required Action: *Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:*

- Continue to monitor policies and procedures that will ensure that the institution performs accurate Return to Title IV calculations.*
- The institution must no longer include the cost of books that could be purchased elsewhere as an institutional charge when performing a R2T4 calculation.*
- The institution should conduct annual Return to Title IV training with staff to ensure regulatory compliance.*

A copy of the above stated corrective actions must be submitted in response to this report.

Wilberforce's Response: *The University has developed policies and procedures to manage our various financial aid processes (including Return to Title IV). The policies and procedures confirm that the institution will no longer include the cost of books that could be purchased elsewhere as an institutional charge when performing a R2T4 calculation.*

In addition to creating and implementing revised policies and procedures, Wilberforce University is investing in financial aid training opportunities for its staff members. For example, four financial aid staff members will be attending the Midwest Association of Students Financial Aid Administrators (MASFAA) Summer Institute in Indianapolis, IN from June 1, 2015 to June 5, 2015. The instructors will provide instruction on Return to Title IV as well as a plethora of other financial aid topics.

New staff is also required to complete the web-based training at the U.S. Department of Education's web page, <http://fsatraining.info/>. (See attachment J).

Final Determination: The Return of Title IV Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Wilberforce acknowledges their responsibility to no longer include the cost of books that could be purchased elsewhere as an institutional charge when performing a R2T4 calculation. In addition, Wilberforce has invested in financial aid training for their staff, including having staff attend MASFAA's Summer Institute. Their new staff will complete the Department's web-based training. The Department recommends annual training for all staff working with Title IV processing to ensure compliance with all federal regulations. Wilberforce has taken the necessary steps to update their policies and procedures, and provide necessary training opportunities to ensure regulatory compliance. Therefore, these findings may be considered closed. Appendix C contains Wilberforce's written response related to the resolved findings, including the summary of the Return of Title IV Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

Finding #9: Satisfactory Academic Progress Not Adequately Monitored

Citation: 34 C.F.R. § 668.34(4)(i) states that the Secretary considers an institution's satisfactory academic progress standards to be reasonable if those standards: "Provide for a determination at the end of each increment by the institution as to whether the student has met the qualitative and quantitative components of the standards (as provided for in paragraphs (2)(i) and (ii) of this section)."

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

(9) If the institution permits a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy describes—

(i) How the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs;

(ii) The basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances; and

(iii) Information the student must submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student's situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

(10) If the institution does not permit a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs; and

(11) The policy provides for notification to students of the results of an evaluation that impacts the student's eligibility for title IV, HEA program funds.

Noncompliance: The Department has determined that in testing thirty-three files, one student's Satisfactory Academic Progress was not properly monitored. The student was #28.

Student #28: At the end of the Spring 2010 term, the student had a 1.33 cumulative GPA with only a .50 completion rate. In the student's academic and financial aid files, there was no indication that the student was put on financial aid probation for the Fall 2010 term. Ultimately, the student ended up academically dismissed after the Fall 2010 term, however there should have been documentation well before the student's dismissal about the SAP progress and probationary status.

Required Action: Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution provides proper probationary status documentation to all students, as well as proper documentation of probationary status within a student academic/financial aid file.
- Provide the Department with a description of how the institution intends to correct all deficient SAP monitoring issues.

A copy of the above stated corrective actions must be submitted in response to this report.

Wilberforce's Response: The University has developed policies and procedures to manage our various financial aid processes (including Satisfactory Academic Progress). The new policies and procedures provide proper probationary status documentation to all students, as well as proper documentation of probationary status within a student academic/financial aid file.

In addition to revised policies and procedures, the University is using Ellucian's Banner system to monitor Satisfactory Academic Progress.

Final Determination: The Satisfactory Academic Progress Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Wilberforce acknowledges their responsibility to provide proper probationary status documentation to all students, as well as proper documentation of probationary status within a student academic/financial aid file.

Wilberforce will monitor Satisfactory Academic Progress using Ellucian's Banner system. The Department recommends Wilberforce run reports in Banner at the end of each increment to determine whether the student has met the qualitative and quantitative components of the standards as provided for in paragraphs (2)(i) and (ii) of 34 C.F.R. § 668.34.

Wilberforce has taken the necessary steps to update their policies and procedures, and monitor their Satisfactory Academic Progress to ensure regulatory compliance. Therefore, these findings may be considered closed. Appendix C contains Wilberforce's written response related to the resolved findings, including the summary of the Satisfactory Academic Progress Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

Finding #12: Satisfactory Academic Policy Inadequate

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

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

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

(3) The policy provides that a student's academic progress is evaluated—

(i) At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or

(ii) For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period;

(4)(i) The policy specifies the grade point average (GPA) that a student must achieve at each evaluation, or if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm; and

(ii) If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a "C" or its equivalent, or have academic standing consistent with the institution's requirements for graduation;

(5)(i) The policy specifies the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe, as defined in paragraph (b) of this section, and provides for measurement of the student's progress at each evaluation; and

(ii) An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, the institution is not required to include remedial courses;

(6) The policy describes how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours;

(7) Except as provided in paragraphs (c) and (d) of this section, the policy provides that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance under the title IV, HEA programs;

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

(9) If the institution permits a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy describes—

(i) How the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs;

(ii) The basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances; and

(iii) Information the student must submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student's situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

(10) If the institution does not permit a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs; and

(11) The policy provides for notification to students of the results of an evaluation that impacts the student's eligibility for title IV, HEA program funds.

(b) *Definitions.* The following definitions apply to the terms used in this section:

Appeal. Appeal means a process by which a student who is not meeting the institution's satisfactory academic progress standards petitions the institution for reconsideration of the student's eligibility for title IV, HEA program assistance.

Financial aid probation. Financial aid probation means a status assigned by an institution to a student who fails to make satisfactory academic progress and who has appealed and has had eligibility for aid reinstated.

Noncompliance: After review of Wilberforce's process for evaluating a student with a SAP determination, the Department has determined that the institution's policies and procedures are inadequate. Wilberforce does not clearly state the effect of timeframes and the rate at which a student must complete their course of study. The institution also does not clearly state the timeframes associated with makeup work in order for a student not to receive an incomplete.

Wilberforce's appeals process for students is unclear. The catalog and the description of the timeframes that a student has to appeal, as well as the timeframes that the school has to respond to an appeal, are not quantified. Per Federal regulations, a student must go on Academic Warning, Probation, and then, ultimately, Suspension if they are unable to make SAP. The institution may review the following link for further guidance:
www.ifap.ed.gov/qahome/qaassessments/sap.html

For additional information, the institution is advised to visit the Federal Student Aid Handbook: Volume 1, Chapter 1, P. 9

Required Action: Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure the enforcement of maximum timeframes for students with SAP issues.
- Create new policies and procedures that clarify the amount of time a student has to makeup work in order for a student not to receive an incomplete.
- Create new policies and procedures that clarify the appeals process for all students, in accordance with the above cited regulations. The timeframes for the appeals process, as stated above, should also be added to their procedures for both students and faculty.
- Provide the Department with a description of how the institution intends to correct SAP deficiencies.

A copy of the above stated corrective actions must be submitted in response to this report.

Wilberforce's Response: The University has developed policies and procedures to manage our various financial aid processes (including Satisfactory Academic Progress). The new policies and procedures include a maximum timeframe for students with SAP issues. Wilberforce's SAP clarifies the amount of time a student has to makeup work in order for a student not to receive an incomplete. The appeal process for all students has been added to the procedures.

In addition to revised policies and procedures, the University is using Ellucian's Banner system to monitor Satisfactory Academic Progress

Final Determination: The Satisfactory Academic Progress Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Wilberforce acknowledges their responsibility to monitor maximum timeframes for students with SAP issues. The SAP clarifies the amount of time a student has to makeup work in order for a student not to receive an incomplete. Finally, Wilberforce has added information to their Satisfactory Academic Progress Policy and Procedures regarding their appeal process.

Wilberforce will monitor Satisfactory Academic Progress using Ellucian's Banner system. The Department recommends Wilberforce run reports in Banner to determine whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs 34 C.F.R. § 668.34.

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Wilberforce has taken the necessary steps to update their policies and procedures, and monitor their Satisfactory Academic Progress to ensure regulatory compliance. Therefore, these findings may be considered closed. Appendix C contains Wilberforce's written response related to the resolved findings, including the summary of the Satisfactory Academic Progress Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

Appendix B: Program Review Report - See Attached

Appendix C: Institution's Written Response (including policies) - See Attached

Appendix B: Program Review Report

Prepared for
Wilberforce University

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

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Prepared by
U.S. Department of Education
Federal Student Aid
Chicago/Denver School Participation Division

Program Review Report

March 19, 2015

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A. Institutional Information

Wilberforce University
1055 North Bickett Road
Wilberforce, OH 45384-1001

Type: Private, Non-profit

Highest Level of Offering: Master's Degree

Accrediting Agency: North Central Association of Colleges and Schools - CIHE

Student Enrollment 2012-13: 600

Percentage of Students Receiving Title IV for 2012 Enrollment Year: 80.00%

Title IV Participation (PEPS):

	<u>2011-2012</u>
Federal Direct Loan Program	\$4,642,846
Pell Grants	\$2,266,087

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Wilberforce University (Wilberforce) from March 28, 2011 to April 1, 2011. Mr. Mark Holland, Ms. Briget Jans, Mr. David Musser, and Ms. Ola Ross conducted the review.

The focus of the review was to determine Wilberforce'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 Wilberforce's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, review of the Jeanne Clear Disclosure of Campus Security Policy and Campus Crime Statistics Act (*the Clery Act*), attendance records, student account ledgers, and fiscal records.

A sample of 33 files was identified for review from the 2009-2010 and 2010-2011 award years. The files were those of all of the students that received Title IV, HEA program funds for the award years. The numbers assigned to the students in this report are referenced in Appendix A.

Disclaimer:

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

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

C. Findings

Finding # 1: Borrower Not Notified Timely of Right to Cancel All or Part of Loan or Loan Disbursement

Citation:

34 C.F.R. § 668.165(a) states that 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 student or his or her parent can expect to receive under each program, and how and when those funds will be disbursed. If those funds include Federal Direct Loan Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans.

If an institution credits a student's account at the institution with FDLP funds, the institution must notify the student of:

- (1) The anticipated date and amount of the disbursement;
- (2) The student's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan; and
- (3) The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement.

The institution must provide the notice no earlier than 30 days before and no later than 30 days after, crediting the student's account at the institution.

Noncompliance:

The Department has determined that in testing thirty-three student files, Wilberforce did not provide students with adequate information regarding a student's right to cancel all or part of a loan disbursement. While notifications were sent to some students, the Department found that there were no disbursement notifications for four students in the 2009-10 award year, and for seventeen students in the 2010-11 award year. The institution attributed the finding to oversight by the financial aid office. All funds were ultimately disbursed to students, therefore there are no questioned costs associated with this finding.

The Department believes this finding to be a systemic issue, due to the high error rate for each award year.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Develop and implement control mechanisms which will ensure that all Title IV funds are disbursed, and that students are properly notified of any given

disbursement no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution.

- Develop policies and procedures which will ensure students receive disbursement notifications in a timely manner.

A copy of the above stated control mechanisms must be submitted in response to this report.

Finding # 2: Federal Work Study – Improper Payments for Hours Worked

Citation:

34 C.F.R. § 675.16 states an institution must follow the disbursement procedures in this section for paying a student his or her wages under the FWS Program instead of the disbursement procedures in 34 C.F.R. § 668.164(a), (b), and (d) through (g), and 34 C.F.R. § 668.165. The institution must follow 34 C.F.R. § 668.164(c) on making direct FWS payments to students and 34 C.F.R. § 668.164(h) on handling the return of FWS funds that are not received or negotiated by a student.

- 1) An institution must pay a student FWS compensation at least once a month.
- 2) Before an institution makes an initial disbursement of FWS compensation to a student for an award period, the institution must notify the student of the amount of funds the student is authorized to earn, and how and when the FWS compensation will be paid.
- 3) Regardless of who employs the student, the institution is responsible for ensuring that the student is paid for work performed.
- 4) A student's FWS compensation is earned when the student performs the work.
- 5) An institution may pay a student after the student's last day of attendance for FWS compensation earned while he or she was in attendance at the institution.
- 6) A correspondence student must submit his or her first completed lesson before receiving a payment.
- 7) The institution may not obtain a student's power of attorney to authorize any disbursement of funds without prior approval from the Secretary.
- 8) An institution makes a disbursement of FWS program funds on the date that the institution credits a student's account at the institution or pays a student directly with:
- 9) Funds received from the Secretary; or
- 10) Institutional funds used in advance of receiving FWS program funds.

Noncompliance:

In testing thirty-three student files, the Department has determined that the institution made improper FWS payments for two students in the 2009-2010 award year, and for two students in the 2010-11 award year. The students in question were student #'s 2, 6, 17, and 29.

The following are the errors associated with each student:

Student #2: based on the number of hours worked, it was determined the student was owed \$4.00 through FWS.

Student #6: based on the number of hours worked, the student was underpaid twice.

Student #17: based on the number of hours worked, the student was overawarded by \$50.00.

Student #29: based on the number of hours worked, the student was overawarded by \$564.00.

The Department believes this finding to be a systemic issue, due to the high error rate for each award year. However, since the institution performed a full file review of their FWS Program for the 2009-2010 and 2010-2011 award years in response to their annual audits, no file review will be required in response to this finding.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Develop and implement control mechanisms which will ensure that all Federal Work Study Funds are disbursed in accordance with Federal regulations.
- Develop and implement control mechanisms which will ensure that all Federal Work Study Funds are disbursed based on their award amount established by the institution.
- Continue to have regularly scheduled meetings to include the FWS Coordinator, Registrar and Payroll to ensure timely communication is maintained.

A copy of the above stated control mechanisms must be submitted in response to this report.

Finding # 3: Improper Verification

Citation:

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

An institution shall require an applicant selected for verification to submit acceptable documentation described in § 668.57 that will verify or update the following information used to determine the applicant's expected family contribution:

- (1) Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.
- (2) U.S. income tax paid for the base year if base year data was used in determining eligibility.
- (3) For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents and for an applicant who is an independent student, the number of family members in the household of the applicant.
- (4) The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.
- (5) The following untaxed income and benefits for the base year if base year data was used in determining eligibility—
 - (i) Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;
 - (ii) Child support if the institution has reason to believe that child support was received;
 - (iii) U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;
 - (iv) Interest on tax-free bonds;
 - (v) Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received;
 - (vi) The earned income credit taken on the applicant's tax return; and
 - (vii) All other untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms. *34 C.F.R. § 668.56(a)*.

Student need for Title IV funds is determined based on subtracting the student's EFC from the cost of attendance. An institution may only award and disburse Title IV funds

to a student if those funds, combined with the other resources the student receives, do not exceed the student's financial need. Funds disbursed to students in excess of need are improperly disbursed to ineligible students, which allow students to receive funds to which they are not entitled. This causes increased expense to the Department and reflects an inability by the institution to properly administer the Title IV programs.

Noncompliance:

The Department has determined that in testing thirty-three files, two students selected for verification were incorrectly verified. The students were #'s 14 and 31.

The following are the errors associated with each student:

Student #14: The student's mother filed as the head of household for the family. However, per documents in the student file and on the FAFSA, the parents of the student were married. Therefore this is considered to be an inaccurate verification, which may affect the entire award if it changes the student's Pell eligibility.

Student # 31: The verification worksheet included in the file does not reflect all three members of the household, which appear on the ISIR. Therefore, the institution inaccurately verified the student in question.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Develop and implement new policies and procedures that will ensure that the institution performs accurate verification for all students selected.
- The institution should conduct annual verification training with staff to ensure regulatory compliance.
- Since the students in question, #14 and #31, are part of the annual audits in which the institution was required to perform a full file review for verification, any liabilities associated with these students will be addressed in those reports. However, the institution should address the verification resolution for those students within their response to this report.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 4: Student Credit Balance Deficiencies

Citation:

34 C.F.R. § 668.164(e) and § 668.165(b) of the Student Assistance General Provisions regulations allow an institution to retain a student's or parent's Title IV funds that exceed the institution's charges if authorized by the student or parent. Notwithstanding this authorization, an institution that has retained Title IV credit balances on behalf of students or parents must pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV program funds by the end of the last payment period in the award year for which they were awarded.

The student's authorization for the institution to retain excess Title IV funds ends when the student is no longer enrolled at the institution and the institution must pay any retained funds directly to the student or parent within 14 days of the student's withdrawal. In obtaining a recipient's authorization to retain Title IV credit balances, an institution may not require or coerce the student or parent to provide that authorization. The institution must permit the student or parent to cancel or modify the authorization at any time and explain how the institution will carry out this activity. If an institution retains excess student funds, the institution must identify the amount of funds the institution holds for each student or parent in a subsidiary ledger account designed for that purpose and maintain at all times cash in its bank account in an amount at least equal to the amount of funds the institution holds on behalf of students or parents. Institutional consumer information materials, award notification and financial aid counseling should ensure that students are aware of the total amount of institutional charges and the amount of Title IV funds that will be available to pay those charges, as well as the remaining Title IV funds that will be available to assist the student in paying for other education-related expenses.

Noncompliance:

The Department has determined that in testing thirty-three files, one student did not receive a Title IV credit balance within the allowable 14 day time frame as set forth by Federal regulations. The student in question is #14.

Student #14: During the Fall semester of 2009-10, a credit balance occurred for student #14 on 8/4/09. The student's refund was not issued until 8/20/09. Per Federal regulations, an institution must pay any retained funds directly to the student or parent within the 14 days of the student's withdrawal. Therefore this student's credit balance was returned 2 days late.

Required Action:

Student #14 was ultimately paid their credit balance, albeit 2 days late. Wilberforce made appropriate adjustments to the student account, thereby resolving the liabilities for the financial loss that resulted from its hold of a credit balance. Wilberforce's failure to timely release a student's credit balance may have permitted the institution to retain funds to which

it was not entitled. Wilberforce is liable to the Department for the *cost of funds* and interest on any improperly retained funds. Since the *cost of funds* for the students in error is minimal, no demand for payment is made at this time. Should this finding appear in future audits or program reviews, the Department may reinstate this liability amount.

The institution is directed to review the above-cited regulation to ensure strict compliance with the requirements thereof.

- Develop and implement new policies and procedures that will ensure that credit balances are paid directly to the student or parent within the appropriate 14 day time frame.
- The institution must enforce procedures to ensure that this finding does not recur.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 5: Return of Title IV Funds Made Late

Citation:

Under 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations, if a Title IV recipient withdraws from an institution during a payment period or period of enrollment for which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. An institution that fails to make refunds in a timely manner demonstrates a lack of administrative capability.

34 C.F.R. § 668.22(a) requires that an institution must return to the appropriate program account or promissory note holder Title IV funds not earned by a student at the time he or she withdraws from the institution.

34 C.F.R. § 668.22(c) states for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is:

- (i) The date, as determined by the institution, that the student began the withdrawal process prescribed by the institution;
- (ii) The date, as determined by the institution, that the student otherwise provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- (iii) If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period;
- (iv) If the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance;
- (v) If a student does not return from an approved leave of absence, the date that the institution determines the student began the leave of absence; or
- (vi) If a student takes a leave of absence that does not meet the requirements, the date that the student began the leave of absence.

Noncompliance:

The Department has determined that in testing thirty-three files, one student's Return of Title IV refund was made late. The student was #31.

Student #31: The student's Last Date of Attendance (LDA) was determined to be 2/19/10. The institution completed the R2T4 calculation worksheet on 3/10/10. However,

the institution failed to return all funds in a timely manner. Wilberforce returned the Unsubsidized Stafford Loans owed on 1/29/11, or 270 days late.

Required Action:

The institution is liable to the Department for the cost of funds interest on the improperly retained funds. Since the amount of this liability, if quantified, would be de minimis, no demand for payment is made at this time.

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Continue to monitor policies and procedures that will ensure that the institution performs timely Return to Title IV calculations.
- The institution should conduct annual Return to Title IV training with staff to ensure regulatory compliance.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 6: Return of Title IV (R2T4) Calculation Errors

Citation:

Under 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations, if a Title IV recipient withdraws from an institution during a payment period or period of enrollment for which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. An institution that fails to make refunds in a timely manner demonstrates a lack of administrative capability.

- (1) 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.
- (2) For purposes of this section, "institutional charges" are tuition, fees, room and board (if the student contracts with the institution for the room and board) and other educationally-related expenses assessed by the institution.
- (3) If, for a non-term program an institution chooses to calculate the treatment of title IV assistance on a payment period basis, but the institution charges for a period that is longer than the payment period, "total institutional charges incurred by the student for the payment period" is the greater of—
 - (i) The prorated amount of institutional charges for the longer period; or
 - (ii) The amount of title IV assistance retained for institutional charges as of the student's withdrawal date.

Noncompliance:

The Department has determined that in testing thirty-three files, one student's Return of Title IV calculation was done incorrectly. The student was #31.

Student #31: The student's Last Date of Attendance (LDA) was determined to be 2/19/10. The R2T4 calculation, which was done on 3/10/10, included incorrect institutional charges. Wilberforce included the cost of books which could be purchased elsewhere as part of the institutional charges. As a result, the institution returned \$2,981.00 when they should have only returned \$2,585.00. Wilberforce over-returned in the calculation by \$396.00.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Continue to monitor policies and procedures that will ensure that the institution performs accurate Return to Title IV calculations.
- The institution must no longer include the cost of books that could be purchased elsewhere as an institutional charge when performing a R2T4 calculation.
- The institution should conduct annual Return to Title IV training with staff to ensure regulatory compliance.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 7: Exit Counseling Deficiencies

Citation:

Section 682.604(g) of the Federal Family Education Program regulations requires an institution to conduct exit counseling with each Stafford loan borrower either in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must conduct this counseling shortly before the student borrower ceases at least half-time study at the school. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program that the home institution approves for credit, the school may provide written counseling materials by mail within 30 days after the student borrower completes the program. If a student borrower withdraws from school without the school's prior knowledge or fails to complete an exit counseling session as required, the school must provide exit counseling through either interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after learning that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

The counseling content must include provisions of the loan program as well as an emphasis on the nature of the loan and the requirement to pay it back to the lender. Exit counseling must include detail of the repayment provisions including a description of the various repayment options as well as the deferments. During exit counseling, the school must also update the student's reference data.

Noncompliance:

The Department has determined that in testing thirty-three files, three student files did not contain exit loan counseling information. The students were #'s 28, 31, and 32.

Student #28: No exit loan counseling information was present in the student's file.

Student #31: No exit loan counseling information was present in the student's file.

Student #32: No exit loan counseling information was present in the student's file.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution provides exit loan counseling for all students who withdraw or graduate from Wilberforce.
- Provide the Department with a description of how the institution intends to monitor exit counseling for students.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 8: Failure to Report/Reconcile/Adjust Direct Loan Disbursements/Adjustments/Cancellations

Citation:

34 C.F.R. § 685.102(b) provides that an institution must reconcile the loan proceeds it receives from the Federal Direct Loan program on at least a monthly basis.

34 C.F.R. § 685.301(a)(1) states: “A school participating in the Direct Loan Program must ensure that any information it provides to the Secretary in connection with loan origination is complete and accurate. A school must originate a Direct Loan while the student meets the borrower eligibility requirements of §685.200.”

Noncompliance:

The Department has determined that in testing thirty-three files, one student’s Subsidized Direct Loans were disbursed, but not properly reconciled and originated. The student was #26.

Student#26: The student was disbursed \$5,500.00 in Subsidized Direct Loans, however the funds were not properly originated in COD, nor were they reported to the National Student Loan Data System (NSLDS).

Failure to reconcile Title IV awards and disbursements could result in the institution receiving and retaining funds to which it is not entitled, which causes increased expense to the Department and allows the institution the use of unearned funds for non-program purposes. The failure to properly reconcile Title IV accounts is also a failure of the institution’s duty as a fiduciary of federal funds. As a fiduciary of federal funds, the institution is subject to the highest standards of care in using and reporting on its usage of federal funds. The institution’s failure in its fiduciary duty and evident lack of internal controls represents a lack of administrative capability in administering the Title IV programs.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution reconciles and originates all loans with the COD and NSLDS systems.
- Provide the Department with a description of how the institution intends to monitor origination and reconciliation.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 9: Satisfactory Academic Progress Policy Not Adequately Monitored

Citation:

34 C.F.R. § 668.34(4)(i) states that the Secretary considers an institution's satisfactory academic progress standards to be reasonable if those standards: "Provide for a determination at the end of each increment by the institution as to whether the student has met the qualitative and quantitative components of the standards (as provided for in paragraphs (2)(i) and (ii) of this section)."

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

(9) If the institution permits a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy describes—

(i) How the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs;

(ii) The basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances; and

(iii) Information the student must submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student's situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

(10) If the institution does not permit a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs; and

(11) The policy provides for notification to students of the results of an evaluation that impacts the student's eligibility for title IV, HEA program funds.

Noncompliance:

The Department has determined that in testing thirty-three files, one student's Satisfactory Academic Progress was not properly monitored. The student was #28.

Student #28: At the end of the Spring 2010 term, the student had a 1.33 cumulative GPA with only a .50 completion rate. In the student's academic and financial aid files, there was no indication that the student was put on financial aid probation for the Fall 2010 term. Ultimately, the student ended up academically dismissed after the Fall 2010 term, however there should have been documentation well before the student's dismissal about the SAP progress and probationary status.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution provides proper probationary status documentation to all students, as well as proper documentation of probationary status within a student academic/financial aid file.
- Provide the Department with a description of how the institution intends to correct all deficient SAP monitoring issues.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 10: Failure to Provide Declined Plus Loan Information

Citation:

According to 34 C.F.R. § 668.22, (iv) an institution must document in the student's file the result of any notification made in accordance with paragraph (a)(6)(iii) of this section of the student's right to cancel all or a portion of loan funds or of the student's right to accept or decline loan funds, and the final determination made concerning the disbursement.

Noncompliance:

The Department has determined that in testing thirty-three files, one student's PLUS loan decline/cancellation information was not provided in their student financial aid file. The student was #30.

Student #30: As part of the student's financial aid award package, the student was offered two PLUS loans for Fall Semester and Spring Semester of the 2010-11 award year. Each loan was offered for \$2,000.00, totaling \$4,000.00 for the academic year. However, the student ultimately did not accept the PLUS loans. There was no documentation provided in the financial aid file indicating that the student had accepted or declined the PLUS loan funds. All funds that are ultimately declined must be documented as such in a student file.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution provides documentation of loan cancellation information within a student academic/financial aid file.
- Provide the Department with a description of how the institution intends to correct all deficient loan cancellation documentation issues.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 11: Consumer Information – Failure to Provide FERPA Annual Notifications

Citation:

According to C.F.R. § 99.3 (a)(1) each educational agency or institution shall annually notify parents of students currently in attendance, or eligible students currently in attendance, of their rights under the Act and this part.

(2) The notice must inform parents or eligible students that they have the right to—

(i) Inspect and review the student's education records;

(ii) Seek amendment of the student's education records that the parent or eligible student believes to be inaccurate, misleading, or otherwise in violation of the student's privacy rights;

(iii) Consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that the Act and §99.31 authorize disclosure without consent; and

(iv) File with the Department a complaint under §§99.63 and 99.64 concerning alleged failures by the educational agency or institution to comply with the requirements of the Act and this part.

(3) The notice must include all of the following:

(i) The procedure for exercising the right to inspect and review education records.

(ii) The procedure for requesting amendment of records under §99.20.

(iii) If the educational agency or institution has a policy of disclosing education records under §99.31(a)(1), a specification of criteria for determining who constitutes a school official and what constitutes a legitimate educational interest.

(b) An educational agency or institution may provide this notice by any means that are reasonably likely to inform the parents or eligible students of their rights.

(1) An educational agency or institution shall effectively notify parents or eligible students who are disabled.

(2) An agency or institution of elementary or secondary education shall effectively notify parents who have a primary or home language other than English.

Noncompliance:

After review of Wilberforce's consumer information; including their handbook and catalog, the Department has determined that the institution does not make annual FERPA notifications, in conjunction with C.F.R. § 99.3.

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure that the institution provides annual FERPA notifications to all students (and possibly parents).
- Provide the Department with a description of how the institution intends to correct all FERPA deficiencies.

A copy of the above stated corrective actions must be submitted in response to this report.

Finding # 12: Satisfactory Academic Progress Policy Inadequate

Citation:

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

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

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

(3) The policy provides that a student's academic progress is evaluated—

(i) At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or

(ii) For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period;

(4)(i) The policy specifies the grade point average (GPA) that a student must achieve at each evaluation, or if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm; and

(ii) If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a “C” or its equivalent, or have academic standing consistent with the institution's requirements for graduation;

(5)(i) The policy specifies the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe, as defined in paragraph (b) of this section, and provides for measurement of the student's progress at each evaluation; and

(ii) An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, the institution is not required to include remedial courses;

(6) The policy describes how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours;

(7) Except as provided in paragraphs (c) and (d) of this section, the policy provides that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance under the title IV, HEA programs;

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

(9) If the institution permits a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy describes—

(i) How the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs;

(ii) The basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances; and

(iii) Information the student must submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student's situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

(10) If the institution does not permit a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs; and

(11) The policy provides for notification to students of the results of an evaluation that impacts the student's eligibility for title IV, HEA program funds.

(b) *Definitions.* The following definitions apply to the terms used in this section:

Appeal. Appeal means a process by which a student who is not meeting the institution's satisfactory academic progress standards petitions the institution for reconsideration of the student's eligibility for title IV, HEA program assistance.

Financial aid probation. Financial aid probation means a status assigned by an institution to a student who fails to make satisfactory academic progress and who has appealed and has had eligibility for aid reinstated.

Noncompliance:

After review of Wilberforce's process for evaluating a student with a SAP determination, the Department has determined that the institution's policies and procedures are inadequate. Wilberforce does not clearly state the effect of timeframes and the rate at which a student must complete their course of study. The institution also does not clearly state the timeframes associated with makeup work in order for a student not to receive an incomplete.

Wilberforce's appeals process for students is unclear. The catalog and the description of the timeframes that a student has to appeal, as well as the timeframes that the school has to respond to an appeal, are not quantified. Per Federal regulations, a student must go on Academic Warning, Probation, and then, ultimately, Suspension if they are unable to make SAP. The institution may review the following link for further guidance:
www.ifap.ed.gov/qahome/qaassessments/sap.html

For additional information, the institution is advised to visit the Federal Student Aid Handbook: Volume 1, Chapter 1, P. 9

Required Action:

Wilberforce is required to take all necessary corrective actions to resolve these violations. At a minimum, Wilberforce must do the following:

- Create new policies and procedures that will ensure the enforcement of maximum timeframes for students with SAP issues.
- Create new policies and procedures that clarify the amount of time a student has to makeup work in order for a student not to receive an incomplete.
- Create new policies and procedures that clarify the appeals process for all students, in accordance with the above cited regulations. The timeframes for the appeals process, as stated above, should also be added to their procedures for both students and faculty.

- Provide the Department with a description of how the institution intends to correct SAP deficiencies.

A copy of the above stated corrective actions must be submitted in response to this report.

D. Recommendations

While on site, the Department made recommendations to Wilberforce. The following are recommendations in order for Wilberforce to improve efficiency and to ensure full compliance with Federal regulations:

- A) Wilberforce should create a notification for students when they are close to earning the full Federal Work Study amount of dollars for the award year in order to prevent overawards in the future.
- B) Wilberforce should keep a fully up-to-date financial aid file for each student, with copies of each student's ISIR, entrance/exit counseling, verification documents, SAP documents, R2T4 worksheets, FWS information, loan notifications, award letters (including revised award letters), PLUS loan denials, professional judgments and dependency overrides.
- C) Wilberforce should add verbiage to their credit balance authorizations indicating that students are able to "rescind at any time" their authorization to hold credit balances.
- D) As discovered on the review, Wilberforce has some inconsistencies in their SSCR reporting. The institution should make sure withdrawn, graduated, and enrolled students are reported properly.
- E) Wilberforce should not be posting and revising Title IV funds multiple times during a term without conditional reason.