

Index Sheet

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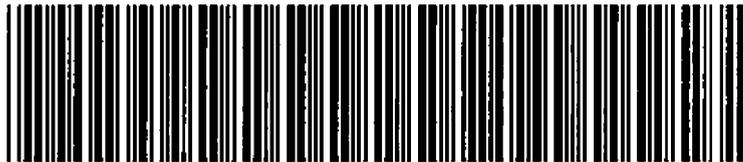
School Year: 2012

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October 30, 2012

Mr. Don Smith, President
William R. Moore College of Technology
1200 Poplar Avenue
Memphis, TN 38104

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RE: **Final Program Review Determination**
OPE ID: 01155300
PRCN: 201220727857

Dear President Smith:

The U.S. Department of Education's (Department's) School Participation Division – Kansas City issued a program review report on April 25, 2012 covering William R Moore College of Technology's (WRMCOT) 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 2010-2011 and 2011-2012 award years. WRMCOT's final response was received on September 17, 2012. A copy of the program review report (and related attachments) and WRMCOT's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by WRMCOT upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$44,413. WRMCOT has repaid \$6,050 of this liability as discussed in the Final Determination for Finding 3 in this report. The outstanding liability owed by the institution is \$38,363.

This final program review determination contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. 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 and Appendix C, Finding 3: Verification Reconstruction. In addition, Appendices B, D, E, and F also contain PII.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the April 25, 2012 program review report. If WRMCOT wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date WRMCOT receives this FPRD. An original and four copies of the information WRMCOT submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

WRMCOT's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and

William R. Moore College of Technology

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- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to WRMCOT's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

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 Ms. Angela Beam at (816) 268-0534. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Ralph A. LoBosco
Director, Kansas City School Participation Team Division

Enclosure:
Protection of Personally Identifiable Information

cc: Mr. Philip Hale, Financial Aid Administrator
Mr. Richard Rhoda, Executive Director Tennessee Higher Education Commission
Mr. Gary Puckett, Council on Occupational Education

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for
**William R Moore College of
Technology**

Federal Student Aid
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OPE ID 01155300
PRCN 201220727857

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

Final Program Review Determination

October 30, 2012

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A. Institutional Information

William R Moore College of Technology
1200 Poplar Avenue
Memphis, TN 38104-7240

Type: Private, nonprofit

Highest Level of Offering: Associate's Degree

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 184 (2011-2012)

% of Students Receiving Title IV: 22% (2011-2012)

Title IV Participation (G5):

2010-2011 Award Year

Federal Pell Grant

\$211,758

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at William R Moore College of Technology (WRMCOT) from March 26, 2012 to March 30, 2012. The review was conducted by Angela Beam and Kathy Feith.

The focus of the review was to determine WRMCOT's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV, HEA programs. The review consisted of, but was not limited to, an examination of WRMCOT'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, three files were selected to examine WRMCOT's Return of Title IV Fund Calculation (Return) procedures. 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 April 25, 2012.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings 4, 5, 6, and 7

WRMCOT has taken the corrective actions necessary to resolve findings 4, 5, 6, and 7 of the program review report. Therefore, these findings may be considered closed. **WRMCOT's responses to these findings are attached in Appendix C.** Findings requiring further action by WRMCOT are discussed below.

Resolved Findings with Comments

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

Finding 1. Failure to Award/Disburse Title IV, HEA Funds Based on Rules Established for Non-Term Programs

Citation Summary: For a student who is enrolled in an eligible program that measures progress in clock hours and the program is more than one academic year in length, the payment periods are determined as follows:

(i) For the first academic year and any subsequent full academic year—

(A) The first payment period is the period of time in which the student successfully completes half of the number of credit hours or clock hours, as applicable, in the academic year and half of the number of weeks of instructional time in the academic year; and

(B) The second payment period is the period of time in which the student successfully completes the academic year;

(ii) For any remaining portion of an eligible program that is more than half an academic year but less than a full academic year in length—

(A) The first payment period is the period of time in which the student successfully completes half of the number of credit hours or clock hours, as applicable, in the remaining portion of the program and half of the number of weeks of instructional time remaining in the program; and

(B) The second payment period is the period of time in which the student successfully completes the remainder of the program; and

(iii) For any remaining portion of an eligible program that is not more than half an academic year, the payment period is the remainder of the program.
34 C.F.R. §668.4(c).

A student successfully completes clock hours if the institution considers the student to have passed the coursework associated with those hours. 34 C.F.R. § 668.4(h)(2). In determining whether a student successfully completes the clock hours in a payment period, an institution may include clock hours for which the student has an excused absence (i.e., an absence that a student does not have to make up) if—

(i) The institution has a written policy that permits excused absences; and

(ii) The number of excused absences does not exceed the lesser of—

(A) The policy on excused absences of the institution's accrediting agency or, if the institution has more than one accrediting agency, the agency designated under 34 C.F.R. §600.11(b);

(B) The policy on excused absences of any State agency that licenses the institution or otherwise legally authorizes the institution to operate in the State; or

(C) Ten percent of the clock hours in the payment period. 34 C.F.R. § 600.11(b).

In general, an institution must disburse Title IV, HEA program funds once each payment period. However, in accordance with 34 C.F.R § 690.76, an institution may choose to disburse Federal Pell Grant funds to make more than one disbursement in each payment period. 34 C.F.R. § 668.164(b). An institution may pay Federal Pell Grant funds to a student at such times and in such installments as it determines will best meet the student's needs within each payment period. 34 C.F.R §690.76(a).

Noncompliance Summary: *WRMCOT offers coursework in 400 clock hour trimesters. WRMCOT's academic year definition is 1200 clock hours and 42 weeks of instruction. WRMCOT awards and disburses Title IV, HEA funds based on 400 clock hour payment periods, disbursing one third of an annual Federal Pell Grant award each 400 clock hours. Consequently, WRMCOT is disbursing more than fifty percent of an annual award prior to each student successfully completing one half of the hours and weeks of instructional time in the program's academic year. Based on a 1200 clock hour academic year definition, students at WRMCOT must successfully complete 600 clock hours to gain eligibility for subsequent Title IV, HEA disbursements.*

Although WRMCOT does not have an excused absence policy, WRMCOT only requires a student to complete 90% of the clock hours in a 400 clock hour period prior to disbursing subsequent disbursements of Federal Pell Grant funds. Students who attend an institution that does not allow excused absences must successfully complete all of the scheduled hours in a payment period prior to receiving subsequent Title IV, HEA disbursements.

As discussed in Finding 2, WRMCOT's failure to award and disburse Title IV, HEA funds based on rules established for clock hour programs led to incorrect Return of Title IV Fund calculations for those students who ceased attendance at WRMCOT prior to the end of a payment period.

Detailed descriptions for Students #1, #2, and #32 served as examples to illustrate WRMCOT's non-compliance with awarding and disbursement rules established for programs offered in a clock hour format.

Required Action Summary: *WRMCOT was required to develop written policies and procedures that ensure Title IV, HEA financial assistance is awarded and disbursed based on rules established for programs offered in a clock hour format. A copy of these procedures was required to be provided with WRMCOT's response to this finding. WRMCOT was required to review the disbursement history of all students who enrolled and attended courses at WRMCOT during the 2011-2012 award year and appropriately adjust disbursements to ensure students have not received more than fifty percent of an annual Federal Pell Grant award prior to the student successfully completing one half of the clock hours and weeks of instructional time in the academic year. WRMCOT was required to provide a written discussion of this review, including any adjustments made on a student specific basis. WRMCOT was also required to provide assurance that in the future, it will appropriately award and disburse Title IV, HEA financial assistance based on applicable regulatory guidelines established for such programs.*

WRMCOT's Response: WRMCOT agreed with the Department's determination that the institution failed to award/disburse Title IV, HEA funds based on rules established for non-term programs. WRMCOT provided revised policies and procedures, as well as written assurances that Title IV, HEA funds will be awarded and disbursed based on applicable regulatory guidelines in the future. WRMCOT reviewed the disbursement history of all students who enrolled and attended courses during the 2011-2012 award year and determined that no students had been over awarded. The institution summarized this review in a spreadsheet that reported the number of hours each student completed as well as the amount of Title IV, HEA funds paid and/or due to be paid to each student.

WRMCOT disagreed with the conclusion of Finding 1 as it related to the determination that the institution did not have a written excused absence policy. WRMCOT indicates the intent of its attendance policy is clear and that "no excused absences" means that all absences are counted against the institution's ninety percent (90%) attendance

requirement. WRMCOT goes on to state that since all absences are counted against the institution's attendance standard, no student absences are considered to be excused. Students can be absent ten percent (10%) of their total possible clock hours and remain in Satisfactory Academic Progress with reference to attendance. WRMCOT provided references to and excerpts from the institution's posted attendance requirements. Specifically, the institution states, "Students receiving Title IV funds are also subject to the attendance regulations in force by Title IV rules. Copies of these attendance rules are provided to each Pell student and are posted throughout the college. Students receiving Title IV Pell funds must maintain 90% attendance."

Final Determination: The Department assisted WRMCOT with additional revisions to the institution's policies and procedures to come into compliance with applicable regulations. The Department reviewed the spreadsheet summarizing the disbursement history for students who attended courses at WRMCOT during the 2011-2012 award year. Although several students received more than 50% of an annual award prior to successfully completing half the hours and weeks in the academic year, those students who did not withdraw or stop attending the institution, went on to complete the hours required to establish eligibility for the funds disbursed. WRMCOT returned ineligible disbursements of Title IV, HEA funds made to students who failed to complete the payment period when the student withdrew (officially or unofficially) from the institution. Therefore, the Department did not establish liabilities as a result of early disbursements related to this finding.

In addition, the Department accepts WRMCOT's explanation concerning the intent of the institution's attendance policy as it relates to excused absences. As a result, the Department accepted up to ten percent of a student's absences towards the successful completion of a payment period when reviewing the Return calculations submitted in response to Finding 2.

The Department considers Finding 1 closed at this time.

Finding 2. Improper Return of Title IV Fund Calculations – Late/Unmade/Incorrect

Citation Summary: *When a recipient of Title IV, HEA 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, HEA grant or loan assistance that the student earned as of the student's withdrawal date. A student is considered to have withdrawn from a payment period or period of enrollment in the case of a program that is measured in clock hours, if the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete. 34 C.F.R § 668.22(a)(2)(i)(B).*

If the total amounts of Title IV, HEA grant assistance that the student earned is less than the amount of Title IV, HEA grant assistance that was disbursed to the student, as of the date of the institution's determination that the student withdrew—

(i) The difference between these amounts must be returned to the Title IV, HEA programs and

(ii) No additional disbursements may be made to the student for the payment period or period of enrollment.

If the total amount of Title IV, HEA grant assistance that the student earned as calculated is greater than the total amount of Title IV, HEA grant assistance that was disbursed to the student as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement. If outstanding charges exist on the student's account, the institution may credit the student's account up to the amount of outstanding charges with all or a portion of any grant funds that make up the post-withdrawal disbursement in accordance with 34 C.F.R. § 668.164(d)(1) and (d)(2).

The institution must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew. 34 C.F.R. § 668.22(a)(6). 2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.

For a clock-hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment, as of the day the student withdrew, by the total number of clock hours in the same period.

A student withdrawing from a clock-hour program earns 100 percent of his or her aid if the student's withdrawal date occurs after the point that he or she was scheduled to complete 60 percent of the scheduled hours in the payment period or period of enrollment.

The scheduled clock hours used for a student must be those established by the school prior to the student's beginning class date for the payment period or period of enrollment, and must have been established in accordance with any requirements of the state or the institution's accrediting agency. These hours must be consistent with the published materials describing the institution's programs. However, if an institution modified the scheduled hours in a student's program prior to and unrelated to, his or her withdrawal in accordance with any state or accrediting agency requirements, the new scheduled hours may be used. 2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.

An institution that chooses to implement a "trial period of enrollment" for its students must develop written policies and procedures that specifically include information on which students are required to participate in the trial period and which students may participate at the student's option. A "trial period" applies to the beginning of the student's attendance in an eligible program, in a situation where the institution has not admitted the student as a regular student. Students that participate in a trial period must be provided clear information about the trial program, including information that the student is not eligible for Title IV, HEA program funds unless and until the institution admits the student as a regular student after the trial period. Students must confirm their intention to continue the program as regular students after or just prior to the end of the trial period. Once determined to be regular students, otherwise eligible students become eligible for Title IV, HEA program funds back to the beginning of the payment or loan period, as applicable, including the trial period. During the trial period, the institution must ensure that students have the necessary books and other materials to succeed during the trial period. Students must receive information describing the procedure for withdrawing after the trial period, if the student decides not to continue enrollment, and that the information must make clear students will not be eligible for Title IV, HEA program funds during the trial period if they do not continue enrollment. Students who do not attend beyond the end of a trial period may only be charged a nominal fee (such as an application fee) to participate in the trial program. (GEN-11-12) Subject: Trial Periods of Enrollment.

***Noncompliance Summary:** As discussed in Finding 1, WRMCOT failed to award and disburse Title IV, HEA funds based on rules established for programs offered in a clock hour format. As a result, WRMCOT also failed to properly perform Return of Title IV Fund calculations based on 600 clock hour payment periods. Students #1, #7, and #33 serve as examples to illustrate WRMCOT's non-compliance with applicable Return of Title IV Fund requirements for programs offered in clock hour formats. In addition, WRMCOT personnel indicated that the institution does not perform Return calculations if a student drops during the first two weeks of a 400 clock hour trimester, as they do not consider the student enrolled as a regular student. Although WRMCOT provided program reviewers with a copy of GEN-11-12 to support this practice, WRMCOT does not have the required written policies and procedures outlined in the document. WRMCOT also does not limit the two week "trial period" to only new students.*

***Student #1:** The student was eligible to receive \$2,100 in Federal Pell Grant funds for his first payment period of 600 clock hours. The student began enrollment on 09/08/2010 and was dismissed from WRMCOT on 12/17/2010 after failing both courses attempted in the Fall 2010 trimester. The student's last date of attendance was 12/17/2010. Based on data in the Department's COD system, WRMCOT disbursed \$1,400 in Federal Pell Grant funds on 10/27/2010. WRMCOT could have disbursed an additional \$700 in Federal Pell Grant funds.*

WRMCOT did not perform the required Return of Title IV Fund calculation when the student was dismissed from the institution. As of the student's last date of attendance, the student was scheduled to have completed 400 of the 600 clock hours in the payment period, or 66.67% of the payment period. The student was eligible for a post-withdrawal disbursement (PWD) of \$700.

This student is also cited in Findings 1 and 3.

Student #7: *The student was eligible to receive \$2,775 in Federal Pell Grant funds for his first payment period of 600 clock hours. The student began enrollment on 09/08/2010 and did not return to WRMCOT after completing his first class on 12/17/2010. The student's last date of attendance was 12/17/2010. Based on data in the Department's COD system, WRMCOT disbursed \$925 in Federal Pell Grant funds on 10/14/2010. WRMCOT could have disbursed an additional \$1,850 in Federal Pell Grant funds.*

WRMCOT did not perform the required Return of Title IV Fund calculation when the student was dismissed from the institution. As of the student's last date of attendance, the student was scheduled to have completed 200 of the 600 clock hours in the payment period, or 33.33% of the payment period.

This student is also cited in Finding 3.

Student #33: *The student began enrollment at WRMCOT on 01/04/2010 and completed his first academic year of 1200 clock hours on 12/17/2010. The student began his second academic year on 01/03/2011 and was eligible to receive \$2,775 in Federal Pell Grant funds for the first payment period of his second academic year (600 clock hours). The student's last date of attendance was 03/07/2011. Based on data in the Department's COD system, WRMCOT disbursed \$1,850 in Federal Pell Grant funds on 02/04/2011. WRMCOT could have disbursed an additional \$925 in Federal Pell Grant funds. The student completed 136 clock hours in the payment period and was scheduled to have completed 252 hours as of the student's last date of attendance.*

The processed Return of Title IV Fund calculation in the student's file incorrectly indicates \$2,775 in Federal Pell Grant funds was disbursed and the student was scheduled to have completed 600 clock hours in the payment period as of the student's last date of attendance. The Return of Title IV Fund calculation should have indicated \$1,850 in Federal Pell Grant funds had been disbursed, \$925 in Federal Pell Grant funds could have been disbursed, and the student was scheduled to have completed 252 clock hours in the payment period as of the student's last date of attendance. This resulted in an incorrect determination of the percentage of the payment period completed and amount of funds earned by the student.

Required Action Summary: *In response to this finding, WRMCOT was required to provide comprehensive information for all Title IV, HEA recipients who officially or*

unofficially withdrew during the 2010-2011 and 2011-2012 award years. The institution was required to identify, review, and report on the files of all Title IV, HEA recipients for whom a Return calculation was performed or should have been performed for each of the two award years. For Returns that were found to be improperly calculated and Returns that should have been calculated but were not, WRMCOT was required to perform a correct calculation or recalculation.

WRMCOT's Response: WRMCOT agreed with the Department's determination that the institution failed to award/disburse Title IV, HEA funds based on rules established for non-term programs resulting in the improper calculation and return of Title IV, HEA funds for students who withdrew or stopped attending WRMCOT prior to the end of the payment period.

WRMCOT submitted a revised Return of Title IV Fund policy as well as procedures for calculating required Return of Title IV Funds and for submitting overpayments to the Department. WRMCOT also submitted a Trial Enrollment Period Policy.

WRMCOT provided the required calculations and/or recalculations for student's #1, #7, and #33 and for all students the institution identified as having withdrawn or as having stopped attending the institution prior to the completion of the student's program of study.

Final Determination: The Department assisted WRMCOT with additional revisions to the institution's policies and procedures to come into compliance with applicable regulations.

The Department reviewed the complete file reconstruction for the Return of Title IV Fund calculations/recalculations submitted with the institution's response to Finding 2 and identified the following issues:

- 1) The institution's servicer did not appropriately award and/or disburse Federal Pell Grant funds during payment periods that crossed award years. Institutions were required to pay Federal Pell Grant funds from the award year in which the student would receive the greater Federal Pell Grant payment during the 2010-2011 award year.
- 2) The institution and/or the institution's servicer did not appropriately identify student payment periods and/or the correct amount of Federal Pell Grant funds disbursed or that could have been disbursed for students who attended more than one trimester. This resulted in the incorrect determination of funds disbursed, funds that could have been disbursed, and/or an incorrect determination of the number of hours the student was scheduled to complete at the time the student stopped attending the institution when performing the Return of Title IV Fund calculation.

- 3) The institution removed hours associated with student absences based on the Department's determination in the program review report that the school did not have an unexcused absence policy.

These issues were discussed with the institution and the institution's servicer via conference call on October 4, 2012. Program reviewers recalculated all Return of Title IV Fund calculations submitted with the institution's response; correcting the items discussed above. Appendix B identifies the number of hours each student was scheduled to complete each payment period, the amount of Federal Pell Grant funds disbursed, the amount of funds that could have been disbursed, as well as the resulting PWD or required return that resulted from the calculation. The Department identified six Return of Title IV Fund calculations that reflect required returns of less than \$2.00. The Department identified 13 Return of Title IV Fund calculations that resulted in a PWD due to the student.

The Department will not assess a liability for the six students that reflect required returns of less than \$2.00. No additional liabilities will be identified and no further action is required for those students who the resulting Return of Title IV Fund calculation identified a PWD.

The Department identified one Return of Title IV Fund calculation that resulted in a required return of \$684.50. The student associated with the Return of Title IV Fund calculation withdrew on 03/07/2011. WRMCOT processed a Return of Title IV Fund calculation and returned \$925.00 in Federal Pell Grant funds on 04/06/2011. The Department will not assess an additional liability for this student as the institution returned the funds within the required timeframe.

WRMCOT is reminded that in the future, the institution must disburse any Title IV, HEA grant funds a student is due as part of a PWD within 45 days of the date the institution determined the student withdrew.

The Department considers Finding 2 closed at this time.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of WRMCOT's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on April 25, 2012 is attached as Appendix G.

Finding 3. Incomplete Verification—Failure to Collect Proper Documentation

Citation Summary: *The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for Federal student aid, as well as resolving any conflicting information that presents itself regarding the application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3) adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's Institutional Student Information Report (ISIR). An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. § 668.16 (f); 34 C.F.R. § 668.24 (c)(1)(i); 34 C.F.R. § 668.56; 2010-2011 and 2011-2012 Federal Student Aid Handbook, Application and Verification Guides.*

An institution shall require an applicant to verify application information if the institution has reason to believe that any information on an application used to calculate an expected family contribution (EFC) is inaccurate. 34 C.F.R. § 668.54(a)(3).

In addition to reviewing application and data match information from the CPS, a school must have an adequate internal system to identify conflicting information—regardless of the source and regardless of whether the student is selected for verification. 2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.

Financial Aid Administrators must have a fundamental understanding of relevant tax issues that can considerably affect the need analysis. You are obligated to know: (1) whether a person was required to file a tax return, (2) what the correct filing status for a person should be, and (3) that an individual cannot be claimed as an exemption by more than one person. 2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.

Noncompliance Summary: *While reviewing the file for the eight students listed below, it was noted that WRMCOT failed to collect the proper documentation to verify the information on the student's ISIR.*

Student #1: *The student's ISIR (Transaction 03) indicates there are five individuals in the family's household size and two family members enrolled in college. The student's verification worksheet indicates three of the family members in his household size for the 2010-2011 award year is a 38 year old brother, a 26 year old sister and a 2 year old nephew. Also, the verification worksheet indicates his mother's age is 40. There is no documentation in the student's file that indicates the institution performed a support test to determine if the student's brother, sister, and nephew received more than 50% of their support from his mother or to resolve the conflicting information between the age of his brother and mother.*

This student is also cited in Findings 1 and 2.

Student #2: *The student's ISIR (Transaction 04) and verification worksheet indicates \$0 in untaxed income benefits were reported by the student. The student's 2009 Federal 1040A form; however, indicates the student received unemployment benefits. Unless removed through use of professional judgment, the first \$2,400 an individual receives from unemployment is untaxed and should be reported as untaxed income on the student's FAFSA application. WRMCOT's third party servicer indicated this item was missed during the verification process.*

This student is also cited in Finding 1.

Student #3: *The student's ISIR (Transaction 04) indicates parental income tax paid of \$0. The father's 2009 Federal 1040A form indicates income tax paid of \$888. Although WRMCOT's third party servicer performed a needs analysis simulation on 03/28/2012 that indicated a correction would not affect the student's EFC, there was no documentation in the student's file to indicate a need analysis simulation was performed at the time of verification or prior to the disbursement of Federal Pell Grant funds.*

Student #6: *The student's ISIR (Transaction 03) indicates there are two family members enrolled in college. The student's verification worksheet indicates the student and his mother are the individuals enrolled in college. Per the FAFSA instructions, the parents of a dependent student cannot be included in the number enrolled in college. The need analysis simulation in the student's file dated 10/04/2010 does not remove the student's mother from the number enrolled in college. During the on-site program review, WRMCOT's third party servicer provided a need analysis simulation dated 03/28/2012 that reflects the removal of the student's parent from the number enrolled in college does not affect the student's EFC.*

Student #7: *The student's ISIR (Transaction 02) indicates there are two family members enrolled in college. The student's verification worksheet indicates the student and his mother are the individuals enrolled in college. Per the FAFSA instructions, the parents of a dependent student cannot be included in the number enrolled in college. Although WRMCOT's third party servicer performed a needs analysis simulation on 03/28/2012*

that indicated a correction would not affect the student's expected EFC, there was no documentation in the student's file to indicate a need analysis simulation was performed at the time of verification or prior to the disbursement of Federal Pell Grant funds.

This student is also cited in Finding 2.

Student #9: *The student submitted a 2009 Federal 1040EZ form in which the student claimed himself as an exemption. The student's mother submitted a 2009 Federal 1040A in which she also claimed the student as a dependent. There is no documentation in the file that resolves the discrepant tax information. Either the student or the parent should have been required to amend his or her tax return to satisfy verification requirements prior to disbursement of Title IV, HEA funds.*

Student #22: *The student's ISIR (Transaction 05) indicates the student got married in 09/2011. The student submitted his original FAFSA application on 10/24/2011. The student only included his income information on the FAFSA. The student submitted his 2010 Federal 1040 form, but did not submit a copy of his spouse's 2010 Federal 1040 form. His spouse did not sign or mark that she was not required to file a tax return on the student's verification worksheet.*

Student #25: *The student's ISIR (Transaction 02) indicates there are two family members in the student's household size and that the student paid out child support of \$3,120. The student listed his nine year old daughter on his verification worksheet. There is no documentation in the student's file to indicate that WRMCOT verified that the child support paid out on the FAFSA was for a child other than the child the student claimed in his household size. FAFSA instructions require students to exclude child support paid out for students that are claimed in the student's household size.*

Required Action Summary: *In response to this report, WRMCOT was required to resolve the verification deficiencies for the above-referenced students obtaining the documentation necessary to complete the process. If the resolution of the issue involved changes to the student's or parent's income, or the addition of parental income not previously reported, WRMCOT was required to attempt to collect the required tax returns or other income-related information and recalculate the student's Title IV, HEA eligibility accordingly. If WRMCOT was unable to properly complete the verification process for any or all the students, the institution may be held liable for all Title IV, HEA funds disbursed to those students in the relevant award years.*

In addition, WRMCOT was required to review the student files of all Title IV, HEA recipients in the 2010-2011 and 2011-2012 to present award years. For any student who was selected for verification, WRMCOT was required to provide specific information in spreadsheet format, along with the required hard copy documentation.

WRMCOT's Response: WRMCOT agreed with the Department's determination that the institution failed to collect the proper documentation to verify the information on student ISIRs. WRMCOT provided a written explanation of its review and determination for each student cited in Finding 3 of the Program Review Report. WRMCOT also performed the required review of the student files of all Title IV, HEA recipients in the 2010-2011 and 2011-2012 to present award years and submitted the required spreadsheet and supporting documentation.

Final Determination: The Department reviewed the documentation submitted for each student submitted with WRMCOT's response to Finding 3. The Department identified liabilities for students for whom WRMCOT was unable to collect signed tax returns, verification worksheets, and/or other required documentation necessary to complete the verification process. The Department identified liabilities for those students for whom the revised EFC calculation submitted by WRMCOT or recalculated by the Department resulted in an over-payment of Title IV, HEA funds to the students.

Students identified in the file review that were not cited in the program review report have been assigned a student number created by Federal Student Aid. The student numbers were assigned in Appendix C, Finding 3 Verification Reconstruction, of this report. Students identified in the program review report and in the file reconstruction in which a liability was identified are addressed below:

Student #1: WRMCOT was unable to contact the student to collect documentation to resolve the verification discrepancies cited in the program review report. As a result, the student was not eligible to receive Title IV, HEA funds for the 2010-2011 award year. Consequently, WRMCOT must return \$1,400 in Federal Pell Grant funds to the Department.

Student #9: WRMCOT was unable to contact the student to collect documentation to resolve the verification discrepancies cited in the program review report. As a result, the student was not eligible to receive Title IV, HEA funds for the 2010-2011 award year. Consequently, WRMCOT must return \$5,550 in Federal Pell Grant funds to the Department. WRMCOT returned \$1,850 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

Student #22: WRMCOT obtained the student's spouses 2010 Federal income tax return. WRMCOT made the appropriate corrections to the student's 2011-2012 ISIR. The student's EFC increased from 4629 to 11346. WRMCOT returned the \$300 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 04/26/2012.

Student #3-3: WRMCOT failed to provide documentation to resolve conflicting information. WRMCOT must return \$5,550 in Federal Pell Grant funds to the Department.

The student's ISIR indicates the student has a child for which he provides more than 50% of the child's financial support; the student's income earned from work is \$4,800; and the student paid child support totaling \$2,600. There is a letter in the student's file that indicates the student lives with his cousin, not his parents, and that he gives his daughter \$50 per week out of his paycheck. There is a second document in the student's file from the student's employer that indicates the student is employed as a maintenance helper and that his gross annual salary is \$4,800 which includes his/her room and board for the entire year (\$150 per week for 32 weeks per year). The student's employer appears to be his father, as the signature of the employer has the same name as the student with a different suffix, and the company name is the student's last name followed by "Home Repair". There is no documentation in the student's file that indicates WRMCOT collected documentation to perform a support test to determine if the student was providing more than 50% of his child's financial support. A student may not claim child support paid on the ISIR for the same children that the student indicates he is providing more than 50% financial support for. In addition, the only question making the student an "Independent Student" on his ISIR was the indication that he had a child for which he was providing more than 50% of the child's support.

Student #3-4: WRMCOT failed to provide documentation to resolve conflicting information. WRMCOT must return \$3,700 in Federal Pell Grant funds to the Department. WRMCOT returned \$925 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

The student's 2010-2011 ISIR indicates that he has children for which he provides more than 50% of the child's financial support and that he paid child support totaling \$5,172. There is no documentation in the student's file that indicates WRMCOT collected documentation to perform a support test to determine if the student was providing more than 50% of his children's financial support. A student may not claim child support paid on the ISIR for the same children that the student indicates he is providing more than 50% financial support for.

Student #3-10: WRMCOT failed to obtain the student's spouse's signature on the verification worksheet submitted that indicates she was not required to file a 2009 Federal Income Tax Return. The student signed his name on both the student signature line and the spouse's signature line. WRMCOT must return \$1,850 in Federal Pell Grant funds to the Department.

Student #3-17: WRMCOT failed to provide documentation to resolve conflicting information. WRMCOT must return \$2,775 in Federal Pell Grant funds to the Department.

The student's ISIR indicates that her parents' marital status is "married/remarried as of 04/1976". The student's mother submitted a 2010 Federal income tax return that reflects her marital status as single. The student's father submitted a letter indicating he was not

required to file a tax return for 2010 because he was separated from his wife and did not have any taxable income that year. He indicates he did file a joint return for the tax year 2011.

Institutions are required to have a fundamental understanding of relevant tax issues that can affect the need analysis. Specifically, an institution is required to know (1) whether a person was required to file a tax return, (2) what the correct filing status for a person should be, and (3) that an individual cannot be claimed as an exemption by more than one person. Based on IRS Publication 17, an individual's filing status is single if, on the last day of the year, the individual is unmarried or legally separated from his/her spouse under a divorce or separate maintenance decree and the individual does not qualify for another filing status on the last day of the year. Institutions are required to resolve conflicting information prior to the disbursement of Title IV, HEA funds. Resolution of the conflict may be a reasonable explanation of why there appears to be a conflict but is none, or the parents may refile and submit a copy of an amended return. There is no documentation in the student's file that indicates her parents were legally separated on the last day of the tax year or written explanation in the student's file that explains why the student's mother did not file as "married filing separately".

Student #3-19: The student's ISIR does not reflect any untaxed income. The student submitted a copy of his and his spouse's 2009 W-2 forms with his verification worksheet and 2009 Federal income tax returns. WRMCOT did not identify \$1,475 in tax deferred pensions and savings reported on the student's spouse's 2009 W-2 form Box 12D that should have been reported as untaxed income on the student's ISIR during both the initial and subsequent review of the student's verification documents. The student's EFC increased from 391 to 706 when program reviewers included the \$1,475 of untaxed income in the need analysis calculation. WRMCOT must return \$400 in Federal Pell Grant funds to the Department.

Student #3-25: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/14/2012 that reflects:

- the correct amount of the student's 2009 Federal income tax paid; and
- the correct amount of the student's other untaxed income.

The student's EFC increased from 4090 to 5078. WRMCOT must return \$945 in Federal Pell Grant funds to the Department. WRMCOT returned \$500 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

Student #3-28: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the student's parents were not eligible to file a Federal 1040A or 1040 EZ form due to itemizing deductions. The student's EFC increased from 3870 to 4870. WRMCOT must return \$433 in Federal Pell Grant funds to the Department.

Student #3-37: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. The 2009 Federal tax return submitted by the student was incomplete. The only line items on the return that were populated were lines 1, 4, 9a, and 10. WRMCOT did not obtain a valid 2009 Federal tax return from the student. WRMCOT must return **\$5,550** in Federal Pell Grant funds to the Department.

Student #3-48: WRMCOT failed to provide documentation to resolve conflicting information. WRMCOT must return **\$3,900** in Federal Pell Grant funds to the Department.

The student's ISIR indicates that his parent received \$2,112 in child support. The student's verification worksheet indicates his parent received "89.00 For 6 month From court 2112.00." There is no documentation in the student's file to resolve the discrepant information reported on the verification worksheet and ISIR. Absent additional information, the Department cannot determine if the family received \$89 per month for six months in addition to the \$2,112 from the court, or if the family only received \$89 per month for six months out of the \$2112 they were supposed to receive. \$89 per month for six months is \$534.

Student #3-52: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the student's parents were not eligible to file a Federal 1040A or 1040 EZ form due to business income. The student's EFC increased from 0 to 40. WRMCOT must return **\$50** in Federal Pell Grant funds to the Department.

Student #3-53: WRMCOT failed to obtain the student's parent's signature on the 2009 Federal income tax return submitted. WRMCOT must return **\$3,700** in Federal Pell Grant funds to the Department. WRMCOT returned \$925 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

Student #3-60: WRMCOT failed to provide documentation to resolve conflicting information. WRMCOT must return **\$2,775** in Federal Pell Grant funds to the Department.

The student's 2010-2011 ISIR indicates that he has children for which he provides more than 50% of the child's financial support and that he paid child support totaling \$7,604. There is no documentation in the student's file that indicates WRMCOT collected documentation to perform a support test to determine if the student was providing more than 50% of his children's financial support. A student may not claim child support paid on the ISIR for the same children that the student indicates he is providing more than

50% financial support for. WRMCOT returned \$1,850 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

Student #3-61: WRMCOT failed to obtain the student's spouse's signature on the verification worksheet submitted that indicates she was not required to file a 2009 Federal Income Tax Return. WRMCOT must return \$5,550 in Federal Pell Grant funds to the Department. WRMCOT returned \$1,850 in Federal Pell Grant funds previously disbursed to the Federal Pell Grant program on 06/29/2012.

No additional liabilities or required action is required for those students in which the revised EFC calculation submitted by WRMCOT or the EFC recalculated by the Department identified the student did not receive all the Title IV, HEA funds for which the student was eligible for the 2010-2011 and 2011-2012 award years. Students included in the program review report and in the file reconstruction in which the Department noted verification deficiencies but no liability are discussed below:

Student #2: WRMCOT provided the required need analysis simulation reflecting the addition of the \$2,400 received in unemployment income cited in the program review report as other untaxed income. The student's EFC did not change.

Student #3: WRMCOT provided the required need analysis simulation reflecting the addition of the father's income tax paid of \$888 that was cited in the program review report. The student's EFC did not change.

Student #6: WRMCOT provided the need analysis summary removing the student's mother from the number of family members enrolled in college. The student's EFC did not change.

Student #7: WRMCOT provided the need analysis summary removing the student's mother from the number of family members enrolled in college. The student's EFC did not change.

Student #25: WRMCOT obtained a written statement from student indicating the child support paid reported on the student's ISIR was for the same child that the student was claiming in his household size. WRMCOT submitted a correction removing the child support paid of \$3,120 from the student's ISIR. The student's EFC did not change.

Student #3-6: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/10/2012 that reflects:

- the correct amount of the student's 2009 Federal income tax paid;
- the student did not have children for which he provided more than 50% of the child's financial support; and

- the student had a dependent other than a child for which he provided more than 50% of his/her financial support.

The student's EFC did not change.

Student #3-8: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/10/2012 that reflects the student's parent was eligible to file a Federal 1040A or 1040 EZ form. The student's EFC decreased from 10 to 0. The student was eligible for an additional \$50 in Federal Pell Grant funds.

Student #3-11: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/10/2012 that reflects the correct amount of his parent's other untaxed income. The student's EFC did not change.

Student #3-12: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/10/2012 that reflects:

- the correct amount of his parent's other untaxed income; and
- the addition of the student's making work pay tax credit as other untaxed income.

The student's EFC did not change.

Student #3-13: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/10/2012 that reflects the correct amount of his parent's other untaxed income. The student's EFC did not change.

Student #3-14: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/14/2012 that reflects the correct amount of his 2010 Federal income tax paid. The student's EFC did not change.

Student #3-15: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/14/2012 that reflects the correct amount of his other untaxed income received. The student's EFC did not change.

Student #3-16: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. Although WRMCOT did not provide a need analysis summary indicating the student's EFC did not change, program reviewers determined that correction of the parent's other untaxed income would not change the student's EFC.

Student #3-18: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/14/2012 that reflects:

- the correct amount of the student's 2010 Federal income tax paid;
- the correct amount of the student's other untaxed income;
- the student did not have children for which he provided more than 50% of the child's financial support; and
- the student had a dependent other than a child for which he provided more than 50% of his/her financial support.

The student's EFC decreased from 165 to 164 but did not affect the student's eligibility for Title IV, HEA funds.

Student #3-20: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/14/2012 that reflects the correct amount of education credits reported on his parent's 2009 Federal income tax return. The student's EFC did not change.

Student #3-32: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/14/2012 that reflects:

- the correct amount of education credits reported on his 2010 Federal tax return; and
- the addition of the student's making work pay tax credit as other untaxed income.

The student's EFC did not change.

Student #3-33: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/15/2012 that reflects the correct amount of his parent's other untaxed income received. The student's EFC did not change.

Student #3-34: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/15/2012 that reflects:

- the correct amount of adjusted gross income reported on his 2009 Federal tax return; and
- the correct amount of other untaxed income.

The student's EFC did not change.

Student #3-35: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file.

WRMCOT provided a need analysis summary dated 05/15/2012 that reflects the correct amount of the student's parents' other untaxed income. The student's EFC increased

from 1640 to 2163. WRMCOT disbursed \$1,300 in Federal Pell Grant funds for the Fall 2010 trimester. Based on a revised EFC of 2163, the student was eligible to receive \$1,700 in Federal Pell Grant funds for his first payment period of 600 clock hours. The student withdrew from WRMCOT upon completion of the Fall 2010 trimester completing 400 of 600 clock hours in the payment period. As reflected in Appendix B, the student was eligible for a PWD of \$400.

Student #3-39: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the correct amount of education credits reported on his parent's 2009 Federal income tax return. The student's EFC did not change.

Student #3-41: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the correct amount of his other untaxed income received. The student's EFC did not change.

Student #3-43: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the correct amount of income tax paid on his parent's 2009 Federal income tax return. The student's EFC did not change.

Student #3-44: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the student's parent was eligible to file a Federal 1040A or 1040 EZ form. The student's EFC decreased from 924 to 0. The student was eligible for an additional \$850 in Federal Pell Grant funds to the Department.

Student #3-47: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects:

- the correct amount of income tax paid reported on his parent's 2009 Federal tax return; and
- the correct number of family members enrolled in college.

The student's EFC decreased from 2200 to 2142. The student was eligible for an additional \$100.

Student #3-54: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects the correct

amount of education credit reported on his parent's 2010 Federal income tax return. The student's EFC did not change.

Student #3-55: Based on verification documentation, WRMCOT identified verification discrepancies that had been missed during the initial review of the student's file. WRMCOT provided a need analysis summary dated 05/16/2012 that reflects \$2,400 in other untaxed income that was previously not reported. The correct amount of other untaxed income; however, should have been \$2,800. Program reviewers determined that correction of the student's other untaxed income would not change the student's EFC.

The Federal Pell Grant liability for Finding 3 is **\$44,128**. Student specific liabilities are outlined in Appendix D. The Department has reduced this liability by **\$6,050** to take into account refunds WRMCOT made to the students identified in Appendix E, Finding 3 Adjusted Federal Pell Grant Liabilities, subsequent to the on-site program review and issuance of the program review report. WRMCOT is also liable for the cost of funds associated with the improper disbursement of Federal Pell Grant funds. The total cost of funds liability relating to the improper disbursement of Federal Pell Grant funds is **\$285** (**\$285.02 rounded**) as calculated in Appendix F.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows.

Established Liabilities	
Liabilities	Federal Pell Grant
Finding 3	\$44,128
Interest/SA	\$ 285
TOTAL	\$44,413
Payable To:	
Department	\$44,413
COD Adjustments	
*2010-2011	\$34,678
2011-2012	\$ 9,450

*WRMCOT has repaid \$6,050 of this liability as discussed in the Final Determination for Finding 3. The outstanding liability is \$38,363.

E. Payment Instructions

Liabilities Owed to the Department

Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000

WRMCOT owes to the Department **\$38,363**. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address. Payment must be made via check and sent to the above Post Office Box, payment and/or adjustments made via GAPS/G5 will not be accepted as payment of this liability.

The following identification data must be provided with the payment:

Amount:	Liability amount to be repaid directly to ED
DUNS:	Institution's DUNS number
TIN:	9-digit tax identification number
PRCN:	Program review control number

Federal Pell Grant Liabilities:

Closed Award Year Payment Instructions

Finding 3: Incomplete Verification—Failure to Collect Proper Documentation

Appendix E: Adjusted Federal Pell Grant Liabilities

WRMCOT must repay:

Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$28,628	\$285	Federal Pell Grant	2010-2011
\$ 9,450	\$0	Federal Pell Grant	2011-2012
Total Principal	Total Interest		
\$38,078	\$285		

The disbursement record for each student identified must be adjusted in the Common Origination and Disbursement (COD) system based on the amount of the adjusted liability identified in Appendix E.

Adjustments in COD must be completed prior to remitting payment to the Department. **Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the payment to the applicable G5 award.**

A copy of the adjustment to each student's COD record must be sent to Angela Beam **within 45 days of the date of this letter.**

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. WRMCOT is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to WRMCOT's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6111
Washington, DC 20202-4461

If within 45 days of the date of this letter, WRMCOT has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due WRMCOT from the Federal Government. **WRMCOT may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, WRMCOT must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

Appendix A: Student Sample

Student	Award Year	Last Name	First Name	Last 4 SSN
General:		(b)(6); (b)(7)(C)		
1	2010-2011			
2	2010-2011			
3	2010-2011			
4	2010-2011			
5	2010-2011			
6	2010-2011			
7	2010-2011			
8	2010-2011			
9	2010-2011			
10	2010-2011			
11	2010-2011			
12	2010-2011			
13	2010-2011			
14	2010-2011			
15	2010-2011			
16	2011-2012			
17	2011-2012			
18	2011-2012			
19	2011-2012			
20	2011-2012			
21	2011-2012			
22	2011-2012			
23	2011-2012			
24	2011-2012			
25	2011-2012			
26	2011-2012			
27	2011-2012			
28	2011-2012			
29	2011-2012			
30	2011-2012			
R2T4:				
31	2010-2011			
32	2010-2011			
33	2010-2011			

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Appendix B.

Finding 2: Return of Title IV Fund Calculation Reconstruction

William R Moore College of Technology

Appendix B: Finding 2 Return of Title IV Fund Calculation Reconstruction

Award Year	Student Name	Last 4 SSN	Start Date	# of Quarters Attended	Student I.D.A.	Scheduled Hours to Complete	Hours in Period	Amount Disbursed	Amount Could Have Been Disbursed	Amount Earned	Rest Withdrawal Disbursement	Required Return
2010-2011	(b)(6); (b)(7)(C)		1/3/2010	5	7/22/2011	400	600	\$ 1,850.00	\$ 925.00	\$ 2,775.00	\$ 925.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		1/3/2011	2	7/22/2011	200	600	\$ 917.00	\$ 1,833.00	\$ 915.75	\$ -	\$ 1.25
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,850.00	\$ 925.00	\$ 2,775.00	\$ 925.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/9/2009	4	12/17/2010	200	600	\$ 733.00	\$ 1,467.00	\$ 732.60	\$ -	\$ 0.40
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,400.00	\$ 700.00	\$ 2,100.00	\$ 700.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/13/2010	400	600	\$ 900.00	\$ 450.00	\$ 1,350.00	\$ 450.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,850.00	\$ 925.00	\$ 2,775.00	\$ 925.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	2	2/7/2011	580	600	\$ 2,775.00	\$ 2,775.00	\$ 2,775.00	\$ -	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	200	600	\$ 925.00	\$ 1,850.00	\$ 924.08	\$ -	\$ 0.92
2010-2011	(b)(6); (b)(7)(C)		1/3/2011	1	4/8/2011	400	600	\$ 1,850.00	\$ 925.00	\$ 2,775.00	\$ 925.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,300.00	\$ 400.00	\$ 1,700.00	\$ 400.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		1/3/2011	1	4/8/2011	200	600	\$ 925.00	\$ 1,850.00	\$ 924.08	\$ -	\$ 0.92
2010-2011	(b)(6); (b)(7)(C)		1/3/2010	3	12/17/2010	600	600	\$ 2,708.00	\$ 67.00	\$ 2,775.00	\$ 67.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,850.00	\$ 925.00	\$ 2,775.00	\$ 925.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	12/17/2010	400	600	\$ 1,800.00	\$ 900.00	\$ 2,700.00	\$ 900.00	\$ -
2010-2011	(b)(6); (b)(7)(C)		1/4/2010	4	3/7/2011	252	600	\$ 1,850.00	\$ 925.00	\$ 1,165.50	\$ -	\$ 684.50
2010-2011	(b)(6); (b)(7)(C)		9/8/2010	1	9/8/2010	200	600	\$ 925.00	\$ 1,850.00	\$ 924.08	\$ -	\$ 0.92
2011-2012	(b)(6); (b)(7)(C)		9/7/2011	1	12/16/2011	200	600	\$ 925.00	\$ 1,850.00	\$ 924.08	\$ -	\$ 0.92
2011-2012	(b)(6); (b)(7)(C)		4/19/2010	6	4/12/2012	600	600	\$ 2,566.00	\$ 209.00	\$ 2,775.00	\$ 209.00	\$ -
2011-2012	(b)(6); (b)(7)(C)		1/3/2011	2	7/22/2011	Completed first payment period. Was not meeting SAP and did not receive aid for second payment period.						
2011-2012	(b)(6); (b)(7)(C)		1/3/2011	3	12/16/2011	600	600	\$ 2,458.00	\$ 317.00	\$ 2,775.00	\$ 317.00	\$ -
2011-2012	(b)(6); (b)(7)(C)		1/4/2010	6	12/16/2011	600	600	\$ 2,775.00	\$ -	\$ 2,775.00	\$ -	\$ -
2011-2012	(b)(6); (b)(7)(C)		9/7/2011	2	4/13/2012	400	600	\$ 1,200.00	\$ 600.00	\$ 1,800.00	\$ 600.00	\$ -

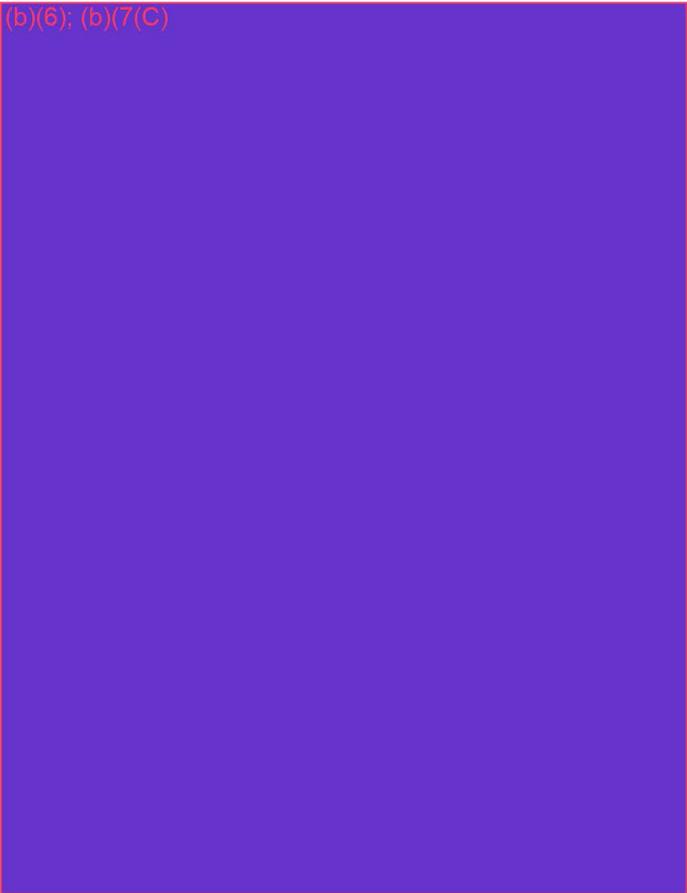
Appendix C.

Finding 3: Verification Reconstruction

<u>Student No.</u>	<u>Award Year</u>	<u>Last Name</u>	<u>First Name</u>	<u>SSN (last four digits)</u>
3-1	2011-2012	(b)(6); (b)(7)(C)		
3-2	2011-2012			
3-3	2010-2011			
3-4	2010-2011			
3-5	2011-2012			
3-6	2010-2011			
3-7	2010-2011			
3-8	2010-2011			
3-9	2010-2011			
3-10	2010-2011			
3-11	2010-2011			
3-12	2011-2012			
3-13	2010-2011			
3-14	2011-2012			
3-15	2010-2011			
3-16	2010-2011			
3-17	2011-2012			
3-18	2011-2012			
3-19	2010-2011			
3-20	2010-2011			
3-21	2011-2012			
3-22	2010-2011			
3-23	2010-2011			
3-24	2011-2012			
3-25	2010-2011			
3-26	2011-2012			
3-27	2010-2011			
3-28	2010-2011			
3-29	2010-2011			
3-30	2010-2011			
3-31	2010-2011			
3-32	2011-2012			
3-33	2010-2011			
3-34	2010-2011			
3-35	2010-2011			
3-36	2011-2012			
3-37	2010-2011			
3-38	2011-2012			
3-40	2010-2011			

3-39	2010-2011
3-41	2011-2012
3-42	2011-2012
3-43	2010-2011
3-44	2011-2012
3-45	2010-2011
3-46	2011-2012
3-47	2010-2011
3-48	2011-2012
3-49	2010-2011
3-50	2010-2011
3-51	2010-2011
3-52	2010-2011
3-53	2010-2011
3-54	2011-2012
3-55	2010-2011
3-56	2011-2012
3-57	2011-2012
3-58	2010-2011
3-59	2010-2011
3-60	2011-2012
3-61	2010-2011
3-62	2010-2011

(b)(6); (b)(7)(C)



Appendix D.

Finding 3 Initial Federal Pell Grant Liabilities

Student No.	Award Year	Last Name	First Name	Student's SSN	Federal Pell Grant Liability
1	2010-2011	(b)(6); (b)(7)(C)			\$1,400
9	2010-2011				\$5,550
3-3	2010-2011				\$5,550
3-4	2010-2011				\$3,700
3-10	2010-2011				\$1,850
3-19	2010-2011				\$ 400
3-25	2010-2011				\$ 945
3-28	2010-2011				\$ 433
3-37	2010-2011				\$5,550
3-52	2010-2011				\$ 50
3-53	2010-2011				\$3,700
3-61	2010-2011				\$5,550
3-17	2011-2012				\$2,775
3-48	2011-2012				\$3,900
3-60	2011-2012				\$2,775

Appendix E.

Finding 3 Adjusted Federal Pell Grant Liabilities

Student No.	Last Name	First Name	Student's SSN	Initial Liability	Funds Returned	Adjusted Liability
1	(b)(6); (b)(7)(C)			\$1,400	\$0	\$1,400
9				\$5,550	\$1,850	\$3,700
3-3				\$5,550	\$0	\$5,550
3-4				\$3,700	\$925	\$2,775
3-10				\$1,850	\$0	\$1,850
3-19				\$ 400	\$0	\$400
3-25				\$ 945	\$500	\$445
3-28				\$ 433	\$0	\$433
3-37				\$5,550	\$0	\$5,550
3-52				\$ 50	\$	\$50
3-53				\$3,700	\$925	\$2,775
3-61				\$5,550	\$1,850	\$3,700
Totals 2010-2011 Award Year				\$34,678	\$6,050	\$28,628

Student No.	Last Name	First Name	Student's SSN	Initial Liability	Funds Returned	Adjusted Liability
3-17	(b)(6); (b)(7)(C)			\$2,775	\$0	\$2,775
3-48				\$3,900	\$0	\$3,900
3-60				\$2,775	\$0	\$2,775
Totals 2011-2012 Award Year				\$9,450	\$0	\$9,450

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Appendix F.

Cost of Funds

Appendix F: Cost of Funds

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: William R Moore College of Technology

No.	Description/Name	Ineligible Disbursement	Program	Disbursement Date	Return Paid Date	No. of Days	CVFR or Interest	Federal Share	To ED	To Inst Accounts
1	(b)(6); (b)(7)(C)	\$1,400.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 1,400.00	\$ 11.51	\$ -
9	(b)(6); (b)(7)(C)	\$5,550.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 5,550.00	\$ 45.62	\$ -
3-3	(b)(6); (b)(7)(C)	\$5,550.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 5,550.00	\$ 45.62	\$ -
3-4	(b)(6); (b)(7)(C)	\$3,700.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 3,700.00	\$ 30.41	\$ -
3-10	(b)(6); (b)(7)(C)	\$1,850.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 1,850.00	\$ 15.21	\$ -
3-17	(b)(6); (b)(7)(C)	\$2,775.00	Pell Grant	4/25/2012	4/25/2012	0	1.00%	\$ 2,775.00	\$ -	\$ -
3-19	(b)(6); (b)(7)(C)	\$400.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 400.00	\$ 3.29	\$ -
3-25	(b)(6); (b)(7)(C)	\$945.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 945.00	\$ 7.77	\$ -
3-28	(b)(6); (b)(7)(C)	\$433.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 433.00	\$ 3.56	\$ -
3-37	(b)(6); (b)(7)(C)	\$5,550.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 5,550.00	\$ 45.62	\$ -
3-48	(b)(6); (b)(7)(C)	\$3,900.00	Pell Grant	4/25/2012	4/25/2012	0	1.00%	\$ 3,900.00	\$ -	\$ -
3-52	(b)(6); (b)(7)(C)	\$50.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 50.00	\$ 0.41	\$ -
3-53	(b)(6); (b)(7)(C)	\$3,700.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 3,700.00	\$ 30.41	\$ -
3-60	(b)(6); (b)(7)(C)	\$2,775.00	Pell Grant	4/25/2012	4/25/2012	0	1.00%	\$ 2,775.00	\$ -	\$ -
3-61	(b)(6); (b)(7)(C)	\$5,550.00	Pell Grant	6/30/2011	4/25/2012	300	1.00%	\$ 5,550.00	\$ 45.62	\$ -

Total Ineligible \$44,128.00

Totals \$ 285.02 \$ -
ACA Liability

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS
 Federal SEOG
 Federal Perkins

Total C-B Spent \$ -
 ACA Percentage

	Total	Federal Share
Pell	\$ 44,128.00	\$ 44,128.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

Total Campus-Based \$ - \$ -

Interest Breakdown

Pell Grants	\$ 285.02	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

ACA Breakdown

FWS	
FSEOG	
Perkins	
FWS-50% Match	
FWS-No Match	
FSEOG-No Match	
Perkins-No Match	

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Appendix G.

Program Review Report

Prepared for

**William R Moore College of
Technology**



START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID 01155300
PRCN 201220727857

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

Program Review Report
April 25, 2012

U.S. Department of Education, Federal Student Aid, School Participation Team—Kansas City
8930 Ward Parkway, Suite 2028
Kansas City, Missouri 64114-3302
www.FederalStudentAid.ed.gov

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A. Institutional Information

William R Moore College of Technology
1200 Poplar Avenue
Memphis, TN 38104-7240

Type: Private, nonprofit

Highest Level of Offering: Associate's Degree

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 184 (2011-2012)

% of Students Receiving Title IV: 22% (2011-2012)

Title IV Participation (G5):

2010-2011 Award Year

Federal Pell Grant

\$211,758

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at William R Moore College of Technology (WRMCOT) from March 26, 2012 to March 30, 2012. The review was conducted by Angela Beam and Kathy Feith.

The focus of the review was to determine WRMCOT's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV, HEA programs. The review consisted of, but was not limited to, an examination of WRMCOT'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, three files were selected to examine WRMCOT's Return of Title IV Fund (Return) procedures. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

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

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

C. Findings

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

Finding 1. Failure to Award/Disburse Title IV, HEA Funds Based on Rules Established for Non-Term Programs

Citation: For a student who is enrolled in an eligible program *that measures progress in clock hours and the program is more than one academic year in length*, the payment periods are determined as follows:

(i) For the first academic year and any subsequent full academic year—

(A) The first payment period is the period of time in which the student successfully completes half of the number of credit hours or clock hours, as applicable, in the academic year and half of the number of weeks of instructional time in the academic year; and

(B) The second payment period is the period of time in which the student successfully completes the academic year;

(ii) For any remaining portion of an eligible program that is more than half an academic year but less than a full academic year in length—

(A) The first payment period is the period of time in which the student successfully completes half of the number of credit hours or clock hours, as applicable, in the remaining portion of the program and half of the number of weeks of instructional time remaining in the program; and

(B) The second payment period is the period of time in which the student successfully completes the remainder of the program; and

(iii) For any remaining portion of an eligible program that is not more than half an academic year, the payment period is the remainder of the program.

34 C.F. R. §668.4(c).

A student *successfully completes* clock hours if the institution considers the student to have passed the coursework associated with those hours. 34 C.F.R. § 668.4(h)(2).

In determining whether a student successfully completes the clock hours in a payment period, an institution may include clock hours for which the student has an excused absence (i.e., an absence that a student does not have to make up) if—

- (i) The institution has a written policy that permits excused absences; and
- (ii) The number of excused absences does not exceed the lesser of—
 - (A) The policy on excused absences of the institution's accrediting agency or, if the institution has more than one accrediting agency, the agency designated under 34 C.F.R. §600.11(b);
 - (B) The policy on excused absences of any State agency that licenses the institution or otherwise legally authorizes the institution to operate in the State; or
 - (C) Ten percent of the clock hours in the payment period. 34 C.F.R. § 600.11(b).

In general, an institution must disburse Title IV, HEA program funds once each payment period. However, in accordance with 34 C.F.R § 690.76, an institution may choose to disburse Federal Pell Grant funds to make more than one disbursement in each payment period. 34 C.F.R. § 668.164(b). An institution may pay Federal Pell Grant funds to a student at such times and in such installments as it determines will best meet the student's needs within each payment period. 34 C.F.R §690.76(a).

Noncompliance: WRMCOT offers coursework in 400 clock hour trimesters. WRMCOT's academic year definition is 1200 clock hours and 42 weeks of instruction. WRMCOT awards and disburses Title IV, HEA funds based on 400 clock hour payment periods, disbursing one third of an annual Federal Pell Grant award each 400 clock hours. Consequently, WRMCOT is disbursing more than fifty percent of an annual award prior to each student successfully completing one half of the hours and weeks of instructional time in the program's academic year. Based on a 1200 clock hour academic year definition, students at WRMCOT must successfully complete 600 clock hours to gain eligibility for subsequent Title IV, HEA disbursements.

Although WRMCOT does not have an excused absence policy, WRMCOT only requires a student to complete 90% of the clock hours in a 400 clock hour period prior to disbursing subsequent disbursements of Federal Pell Grant funds. Students who attend an institution that does not allow excused absences must successfully complete all of the scheduled hours in a payment period prior to receiving subsequent Title IV, HEA disbursements.

As discussed in Finding 2, WRMCOT's failure to award and disburse Title IV, HEA funds based on rules established for clock hour programs led to incorrect Return of Title

IV Fund calculations for those students who ceased attendance at WRMCOT prior to the end of a payment period.

Students #1, #2, and #32 serve as examples to illustrate WRMCOT's non-compliance with awarding and disbursement rules established for programs offered in a clock hour format.

Student #1: The student was eligible to receive a scheduled annual Federal Pell Grant award of \$4,200 for the 2010-2011 award year. The student began enrollment on 09/08/2010. Data in the Department's Common Origination and Disbursement (COD) system indicates WRMCOT disbursed \$1,400 in Federal Pell Grant funds on 10/27/2010. The student was dismissed from WRMCOT on 12/17/2010 after failing both courses attempted in the Fall 2010 trimester and completing 241.5 out of 600 scheduled clock hours in the student's first payment period. Prior to the Return of Title IV Fund calculation discussed in Finding 2, the student was eligible to receive \$2,100 in Federal Pell Grant funds for the first 600 clock hours in the program.

This student is also cited in Findings 2 and 3.

Student #2: The student was eligible to receive a scheduled annual Federal Pell Grant award of \$5,550 for the 2010-2011 award year. The student began enrollment on 09/08/2010. Based on data in the Department's COD system, WRMCOT disbursed \$1,850 on 10/01/2010, 02/01/2011, and 05/14/2011. The student did not complete 600 clock hours until approximately 03/14/2011. Consequently, the student received \$925 in Federal Pell Grant funds that the student was not eligible to receive prior to successfully completing half of the clock hours and weeks of instruction in the academic year.

This student is also cited in Finding 3.

Student #32: The student was eligible to receive a scheduled annual Federal Pell Grant award of \$5,550 for the 2010-2011 award year. The student began enrollment on 09/08/2010. Based on data in the Department's COD system, WRMCOT disbursed \$1,850 in Federal Pell Grant funds on 10/27/2010 and again on 01/03/2011. The student was not eligible for subsequent disbursements of Federal Pell Grant funds in excess of \$2,775 until the student completed 600 clock hours. The student withdrew on 02/17/2011. The student completed 506 out of 600 scheduled clock hours. As a result of the student's withdrawal, WRMCOT returned the \$925 Federal Pell Grant over payment on 03/14/2011.

Required Action: WRMCOT must develop written policies and procedures that ensure Title IV, HEA financial assistance is awarded and disbursed based on rules established for programs offered in a clock hour format. A copy of these procedures must be provided with WRMCOT's response to this finding. WRMCOT must review the disbursement history of all students who have enrolled and attended courses at

WRMCOT during the 2011-2012 award year and appropriately adjust disbursements to ensure students have not received more than fifty percent of an annual Federal Pell Grant award prior to the student successfully completing one half of the clock hours and weeks of instructional time in the academic year. WRMCOT must provide a written discussion of this review, including any adjustments made on a student specific basis. WRMCOT must also provide assurance that in the future, it will appropriately award and disburse Title IV, HEA financial assistance based on applicable regulatory guidelines established for such programs.

**Finding 2. Improper Return of Title IV Fund Calculations –
Late/Unmade/Incorrect**

Citation: When a recipient of Title IV, HEA 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, HEA grant or loan assistance that the student earned as of the student's withdrawal date. A student is considered to have withdrawn from a payment period or period of enrollment in the case of a program that is measured in clock hours, if the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete. 34 C.F.R. § 668.22(a)(2)(i)(B).

If the total amounts of Title IV, HEA grant assistance that the student earned is less than the amount of Title IV, HEA grant assistance that was disbursed to the student, as of the date of the institution's determination that the student withdrew—

(i) The difference between these amounts must be returned to the Title IV, HEA programs and

(ii) No additional disbursements may be made to the student for the payment period or period of enrollment.

If the total amount of Title IV, HEA grant assistance that the student earned as calculated is greater than the total amount of Title IV, HEA grant assistance that was disbursed to the student as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement. If outstanding charges exist on the student's account, the institution may credit the student's account up to the amount of outstanding charges with all or a portion of any grant funds that make up the post-withdrawal disbursement in accordance with 34 C.F.R. § 668.164(d)(1) and (d)(2).

The institution must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date

of the institution's determination that the student withdrew. 34 C.F.R § 668.22(a)(6).
2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.

For a clock-hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment, as of the day the student withdrew, by the total number of clock hours in the same period.

A student withdrawing from a clock-hour program earns 100 percent of his or her aid if the student's withdrawal date occurs after the point that he or she was scheduled to complete 60 percent of the scheduled hours in the payment period or period of enrollment.

The scheduled clock hours used for a student must be those established by the school prior to the student's beginning class date for the payment period or period of enrollment, and must have been established in accordance with any requirements of the state or the institution's accrediting agency. These hours must be consistent with the published materials describing the institution's programs. However, if an institution modified the scheduled hours in a student's program prior to and unrelated to, his or her withdrawal in accordance with any state or accrediting agency requirements, the new scheduled hours may be used. *2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.*

An institution that chooses to implement a "trial period of enrollment" for its students must develop written policies and procedures that specifically include information on which students are required to participate in the trial period and which students may participate at the student's option. A "trial period" applies to the beginning of the student's attendance in an eligible program, in a situation where the institution has not admitted the student as a regular student. Students that participate in a trial period must be provided clear information about the trial program, including information that the student is not eligible for Title IV, HEA program funds unless and until the institution admits the student as a regular student after the trial period. Students must confirm their intention to continue the program as regular students after or just prior to the end of the trial period. Once determined to be regular students, otherwise eligible students become eligible for Title IV, HEA program funds back to the beginning of the payment or loan period, as applicable, including the trial period. During the trial period, the institution must ensure that students have the necessary books and other materials to succeed during the trial period. Students must receive information describing the procedure for withdrawing after the trial period, if the student decides not to continue enrollment, and that the information must make clear students will not be eligible for Title IV, HEA program funds during the trial period if they do not continue enrollment. Students who do not attend beyond the end of a trial period may only be charged a nominal fee (such as an application fee) to participate in the trial program. *(GEN-11-12) Subject: Trial Periods of Enrollment.*

Noncompliance: As discussed in Finding 1, WRMCOT failed to award and disburse Title IV, HEA funds based on rules established for programs offered in a clock hour format. As a result, WRMCOT also failed to properly perform Return of Title IV Fund calculations based on 600 clock hour payment periods. Students #1, #7, and #33 serve as examples to illustrate WRMCOT's non-compliance with applicable Return of Title IV Fund requirements for programs offered in clock hour formats. In addition, WRMCOT personnel indicated that the institution does not perform Return calculations if a student drops during the first two weeks of a 400 clock hour trimester, as they do not consider the student enrolled as a regular student. Although WRMCOT provided program reviewers with a copy of *GEN-11-12* to support this practice, WRMCOT does not have the required written policies and procedures outlined in the document. WRMCOT also does not limit the two week "trial period" to only new students.

Student #1: The student was eligible to receive \$2,100 in Federal Pell Grant funds for his first payment period of 600 clock hours. The student began enrollment on 09/08/2010 and was dismissed from WRMCOT on 12/17/2010 after failing both courses attempted in the Fall 2010 trimester. The student's last date of attendance was 12/17/2010. Based on data in the Department's COD system, WRMCOT disbursed \$1,400 in Federal Pell Grant funds on 10/27/2010. WRMCOT could have disbursed an additional \$700 in Federal Pell Grant funds.

WRMCOT did not perform the required Return of Title IV Fund calculation when the student was dismissed from the institution. As of the student's last date of attendance, the student was scheduled to have completed 400 of the 600 clock hours in the payment period, or 66.67% of the payment period. The student was eligible for a post-withdrawal disbursement (PWD) of \$700.

This student is also cited in Findings 1 and 3.

Student #7: The student was eligible to receive \$2,775 in Federal Pell Grant funds for his first payment period of 600 clock hours. The student began enrollment on 09/08/2010 and did not return to WRMCOT after completing his first class on 12/17/2010. The student's last date of attendance was 12/17/2010. Based on data in the Department's COD system, WRMCOT disbursed \$925 in Federal Pell Grant funds on 10/14/2010. WRMCOT could have disbursed an additional \$1,850 in Federal Pell Grant funds.

WRMCOT did not perform the required Return of Title IV Fund calculation when the student was dismissed from the institution. As of the student's last date of attendance, the student was scheduled to have completed 200 of the 600 clock hours in the payment period, or 33.33% of the payment period.

This student is also cited in Finding 3.

Student #33: The student began enrollment at WRMCOT on 01/04/2010 and completed his first academic year of 1200 clock hours on 12/17/2010. The student began his second academic year on 01/03/2011 and was eligible to receive \$2,775 in Federal Pell Grant funds for the first payment period of his second academic year (600 clock hours). The student's last date of attendance was 03/07/2011. Based on data in the Department's COD system, WRMCOT disbursed \$1,850 in Federal Pell Grant funds on 02/04/2011. WRMCOT could have disbursed an additional \$925 in Federal Pell Grant funds. The student completed 136 clock hours in the payment period and was scheduled to have completed 252 hours as of the student's last date of attendance.

The processed Return of Title IV Fund calculation in the student's file incorrectly indicates \$2,775 in Federal Pell Grant funds was disbursed and the student was scheduled to have completed 600 clock hours in the payment period as of the student's last date of attendance. The Return of Title IV Fund calculation should have indicated \$1,850 in Federal Pell Grant funds had been disbursed, \$925 in Federal Pell Grant funds could have been disbursed, and the student was scheduled to have completed 252 clock hours in the payment period as of the student's last date of attendance. This resulted in an incorrect determination of the percentage of the payment period completed and amount of funds earned by the student.

Required Action: In response to this finding, WRMCOT must provide comprehensive information for all Title IV, HEA recipients who officially or unofficially withdrew during the 2010-2011 and 2011-2012 award years. The institution must identify, review, and report on the files of all Title IV, HEA recipients for whom a Return calculation was performed or should have been performed for each of the two award years. For Returns that are found to be improperly calculated and Returns that should have been calculated but were not, WRMCOT must perform a correct calculation or recalculation.

The materials the institution must submit include:

- (1) A spreadsheet that contains, for each Title IV, HEA recipient who officially or unofficially withdrew, the following information:
 - (a) Student's name;
 - (b) Last four digits of student's SSN number;
 - (c) Student's last date of attendance;
 - (d) Student's withdrawal date;
 - (e) The date that WRMCOT determined that the student withdrew;
 - (f) The date that the original Return was calculated;
 - (g) The amount of Title IV, HEA funds returned, if applicable
 - (h) The date(s) the Return(s) were made;
 - (i) Amount of post-withdrawal disbursement (PWD), if applicable;
 - (j) Title IV, HEA program from which PWD was made;
 - (k) Date PWD was paid;
 - (l) Date of corrected Return of Title IV Fund calculation, if applicable;
 - (m) Corrected amount of Return, if applicable;

- (n) Amount of PWD, if applicable;
- (o) Title IV, HEA program from which PWD was made;
- (p) Date PWD was paid.

The spreadsheet should be organized by award year, and then by individual student. The spreadsheets should be compiled in an Excel spreadsheet program and submitted in CD-ROM format;

- (2) A copy of the complete original Return of Title IV Fund calculation worksheet for each Title IV, HEA recipient who withdrew in the 2010-2011 and 2011-2012 award years (WRMCOT must identify calculations that were first performed as a result of the PRR);
- (3) A copy of the complete corrected Return of Title IV Fund calculation, if applicable;
- (4) A copy of all pertinent student account cards for the Returns identified above. The account card should reflect the disbursements included in the Return calculation as well as the return of the Title IV, HEA funds, if applicable;
- (5) Legible copies of all audit trail documentation (i.e. wire transfer records on bank statements, institutional drawdown and refund reports, screen prints of COD screens with pertinent detail information) to support the return of the funds to the Title IV, HEA accounts. The documentation must clearly identify the amount of the Return for the individual in question. If a Return was repaid to the Title IV, HEA programs by check, then a legible copy of the cancelled check, front and back, must be submitted;
- (6) A copy of WRMCOT's official withdrawal form (or other official withdrawal documentation) for each Title IV, HEA recipient who officially withdrew, with the official date of withdrawal annotated.
- (7) Copies of all pertinent attendance records supporting WRMCOT's determination of the student's last date of attendance.
- (8) In cases where a post-withdrawal disbursement was calculated, copies of all supporting documentation establishing that the post-withdrawal disbursement was paid to the student. WRMCOT must provide documentation indicating that the student was notified that a post-withdrawal disbursement was made on their behalf, the amount of the disbursement, the date that it occurred, and a copy of the front and back of any credit balance refund issued to the student as a result of the post-withdrawal disbursement;
- (9) In the case of unearned aid that is required to be returned by a student, copies of all supporting documentation establishing that WRMCOT contacted the student and made appropriate repayment arrangements, as outlined in Federal regulations.

The Return of Title IV Funds spreadsheet discussed above should be compiled in an Excel spreadsheet program and submitted in CD-ROM format in the following manner:

Award year	Student	SSN	Last date of attendance	Withdrawal date	Date of determination	Date of Return calculation	Amount of return, if applicable	Title IV, HEA program	Date of Return
2010/11	***1	***	03/07/10	03/13/11	03/13/11	03/15/11	\$925	Pell	04/09/11
2010/11	***2	"	09/17/10	09/20/10	09/20/11	N/A	N/A	N/A	N/A

Amount of PWD, if applicable	PWD program	Date PWD Paid	Date of Corrected Return calculation, if applicable	Corrected Amount of return, if applicable	Title IV, HEA program	Difference between Original and Revised Return or PWD	Amount of PWD, if applicable	PWD program	Date PWD Paid
N/A	N/A	N/A	05/12/12	\$700	Pell	(\$225)	N/A	N/A	N/A
N/A	N/A	N/A	05/12/12	N/A	Pell	\$752	\$752	Pell	N/A

Hard copy and electronic files containing PII must be safeguarded as described in the enclosure to the cover letter of this report.

Additionally, WRMCOT must review and revise its internal policies and procedures to ensure that Returns of Title IV Fund calculations are correctly performed in a timely manner in the future. If WRMCOT chooses to continue the "trial period of enrollment" for new starts, WRMCOT must develop the required written policies and procedures as outlined in *GEN-11-12*. A copy of these procedures must accompany WRMCOT's response to this report.

Instructions for repayment of any liabilities will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Finding 3. Incomplete Verification—Failure to Collect Proper Documentation

Citation: The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for Federal student aid, as well as resolving any conflicting information that presents itself regarding the application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3) adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's Institutional Student Information Report (ISIR). An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. § 668.16 (f); 34

C.F.R. § 668.24 (c)(1)(i); 34 C.F.R. § 668.56; *2010-2011 and 2011-2012 Federal Student Aid Handbook, Application and Verification Guides.*

An institution shall require an applicant to verify application information if the institution has reason to believe that any information on an application used to calculate an expected family contribution (EFC) is inaccurate. 34 C.F.R. § 668.54(a)(3).

In addition to reviewing application and data match information from the CPS, a school must have an adequate internal system to identify conflicting information—regardless of the source and regardless of whether the student is selected for verification. *2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.*

Financial Aid Administrators must have a fundamental understanding of relevant tax issues that can considerably affect the need analysis. You are obligated to know: (1) whether a person was required to file a tax return, (2) what the correct filing status for a person should be, and (3) that an individual cannot be claimed as an exemption by more than one person. *2010-2011 Federal Student Aid Handbook; 2011-2012 Federal Student Aid Handbook.*

Noncompliance: While reviewing the file for the eight students listed below, it was noted that WRMCOT failed to collect the proper documentation to verify the information on the student's ISIR.

Student #1: The student's ISIR (Transaction 03) indicates there are five individuals in the family's household size and two family members enrolled in college. The student's verification worksheet indicates three of the family members in his household size for the 2010-2011 award year is a 38 year old brother, a 26 year old sister and a 2 year old nephew. Also, the verification worksheet indicates his mother's age is 40. There is no documentation in the student's file that indicates the institution performed a support test to determine if the student's brother, sister, and nephew received more than 50% of their support from his mother or to resolve the conflicting information between the age of his brother and mother.

This student is also cited in Findings 1 and 2.

Student #2: The student's ISIR (Transaction 04) and verification worksheet indicates \$0 in untaxed income benefits were reported by the student. The student's 2009 Federal 1040A form; however, indicates the student received unemployment benefits. Unless removed through use of professional judgment, the first \$2,400 an individual receives from unemployment is untaxed and should be reported as untaxed income on the student's FAFSA application. WRMCOT's third party servicer indicated this item was missed during the verification process.

This student is also cited in Finding 1.

Student #3: The student's ISIR (Transaction 04) indicates parental income tax paid of \$0. The father's 2009 Federal 1040A form indicates income tax paid of \$888. Although WRMCOT's third party servicer performed a needs analysis simulation on 03/28/2012 that indicated a correction would not affect the student's expected EFC, there was no documentation in the student's file to indicate a need analysis simulation was performed at the time of verification or prior to the disbursement of Federal Pell Grant funds.

Student #6: The student's ISIR (Transaction 03) indicates there are two family members enrolled in college. The student's verification worksheet indicates the student and his mother are the individuals enrolled in college. Per the FAFSA instructions, the parents of a dependent student cannot be included in the number enrolled in college. The need analysis simulation in the student's file dated 10/04/2010 does not remove the student's mother from the number enrolled in college. During the on-site program review, WRMCOT's third party servicer provided a need analysis simulation dated 03/28/2012 that reflects the removal of the student's parent from the number enrolled in college does not affect the student's EFC.

Student #7: The student's ISIR (Transaction 02) indicates there are two family members enrolled in college. The student's verification worksheet indicates the student and his mother are the individuals enrolled in college. Per the FAFSA instructions, the parents of a dependent student cannot be included in the number enrolled in college. Although WRMCOT's third party servicer performed a needs analysis simulation on 03/28/2012 that indicated a correction would not affect the student's expected EFC, there was no documentation in the student's file to indicate a need analysis simulation was performed at the time of verification or prior to the disbursement of Federal Pell Grant funds.

This student is also cited in Finding 2.

Student #9: The student submitted a 2009 Federal 1040EZ form in which the student claimed himself as an exemption. The student's mother submitted a 2009 Federal 1040A in which she also claimed the student as a dependent. There is no documentation in the file that resolves the discrepant tax information. Either the student or the parent should have been required to amend his or her tax return to satisfy verification requirements prior to disbursement of Title IV, HEA funds.

Student #22: The student's ISIR (Transaction 05) indicates the student got married in 09/2011. The student submitted his original FAFSA application on 10/24/2011. The student only included his income information on the FAFSA. The student submitted his 2010 Federal 1040 form, but did not submit a copy of his spouse's 2010 Federal 1040 form. His spouse did not sign or mark that she was not required to file a tax return on the student's verification worksheet.

Student #25: The student's ISIR (Transaction 02) indicates there are two family members in the student's household size and that the student paid out child support of

\$3,120. The student listed his nine year old daughter on his verification worksheet. There is no documentation in the student's file to indicate that WRMCOT verified that the child support paid out on the FAFSA was for a child other than the child the student claimed in his household size. FAFSA instructions require students to exclude child support paid out for students that are claimed in the student's household size.

Required Action: In response to this report, WRMCOT must resolve the verification deficiencies for the above-referenced students obtaining the documentation necessary to complete the process. If the resolution of the issue involves changes to the student's or parent's income, or the addition of parental income not previously reported, WRMCOT must attempt to collect the required tax returns or other income-related information and recalculate the student's Title IV, HEA eligibility accordingly. If WRMCOT is unable to properly complete the verification process for any or all of the students, the institution may be held liable for all Title IV, HEA funds disbursed to those students in the relevant award years.

In addition, WRMCOT must review the student files of all Title IV, HEA recipients in the 2010-2011 and 2011-2012 to present award years. For any student who was selected for verification, WRMCOT must provide the following information in spreadsheet format, along with the required hard copy documentation listed below:

- (1) Student's first and last name;
- (2) Social Security number (last four digits only);
- (3) Award year;
- (4) Date of Disbursement;
- (5) Amount of Disbursement;
- (6) Title IV, HEA program;
- (7) Indication of whether verification was completed for student (Y/N);
- (8) Indication of whether initial verification was accurate (Y/N);
- (9) Indication of whether recalculation was performed (Y/N);
- (10) Adjusted award based on recalculation;
- (11) Original EFC;
- (12) Recalculated EFC;
- (13) Revised award after recalculation;
- (14) Difference between original and revised award;
- (15) Legible copy of recalculation of student's Title IV, HEA eligibility, if applicable;
- (16) Legible copy of student's original account card;
- (17) Legible copy of all transactions of the student's Institutional Student Aid Report(s) (ISIR); and
- (18) Legible copy of student's verification worksheet and all documentation used by WRMCOT to complete the verification process.

Name	Last 4 SSN	Award Year	Date of Disbursement	Amount of Disbursement	Title IV Program	Verification Complete (Y/N)
***		2009-2010	3/15/2010	\$2675	Pell	Y
				\$1742	Sub	Y

Verification on Accuracy (Y/N)	Recalc. Performed (Y/N)	Original EFC	Recalculated EFC	Revised Award Amount	Difference between Original and Revised Award

The required information listed in items 15, 16, 17, and 18 above must be presented in hard copy format.

In addition, WRMCOT must devise and implement procedures that will ensure that, in the future, the verification process is properly completed for all students. A copy of these procedures must accompany WRMCOT's response to this finding.

WRMCOT is reminded that hard copy files containing PII must be safeguarded as described in the enclosure to the cover letter of this report.

The FPRD letter will provide WRMCOT with repayment instructions for any identified liabilities. The institution must not repay any funds owed to the Department until the FPRD is issued.

Finding 4. Failure to Provide Title IV, HEA Credit Balance to Federal Pell Grant Eligible Students for Book Purchases within First Seven Days of Payment Period

Citation: An institution must provide a way for a Federal Pell Grant eligible student to obtain or purchase, by the seventh day of a payment period, the books and supplies required for the payment period if, 10 days before the beginning of the payment period—

- (i) The institution could disburse the Title IV, HEA program funds for which the student is eligible; and

(ii) Presuming the funds were disbursed, the student would have a credit balance.

The amount the institution provides to the Federal Pell Grant eligible student to obtain or purchase books and supplies is the lesser of the presumed credit balance or the amount needed by the student, as determined by the institution.

The institution must have a policy under which a Federal Pell Grant eligible student may opt out of the way the institution provides for the student to obtain or purchase books and supplies.

If a Federal Pell Grant eligible student uses the way provided by the institution to obtain or purchase books and supplies under this paragraph, the student is considered to have authorized the use of Title IV, HEA funds and the institution does not need to obtain a written authorization for this purpose. 34 C.F.R. 668.164 (i).

Noncompliance: WRMCOT requires all students to purchase their textbooks by the end of the first week or be subject to removal from enrollment. WRMCOT does not have a provision to allow Federal Pell Grant eligible students to obtain or purchase their books and supplies by the seventh day of a payment period with any credit balance refund due to the student had his or her funds been disbursed at the beginning of the payment period.

Required Action: WRMCOT must develop a process to ensure students who are eligible to receive a credit balance refund have access to those funds within the first seven days of the payment period to purchase required books and supplies. A copy of these procedures must accompany WRMOCT's response to this finding.

Finding 5. Failure to Distribute the Annual Security Report (ASR) in Accordance with Federal Regulations

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) and the Department's regulations require that institutions receiving Title IV, HEA funds publish and disseminate an annual security report that describes policies and statistics relating to campus crime. 34 C.F.R. § 668.46. The Annual Security Report (ASR) must be distributed to all enrolled students and current employees by October 1st of each year. 34 C.F.R. § 668.41(e)(1). Among the policies that must be included in the ASR are:

- (1) Policies for making timely warnings to members of the campus community regarding the occurrence of those crimes required to be reported in the crime statistics section of the annual report. 34 C.F.R. § 668.46(b)(2)(i);
- (2) Policies for preparing the annual disclosure of crime statistics. 34 C.F.R. § 668.46(b)(2)(ii);

- (3) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others. 34 C.F.R. § 668.46(b)(5);
- (4) A description of programs designed to inform students and employees about the prevention of crimes. 34 C.F.R. § 668.46(b)(6);
- (5) A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws. 34 C.F.R. § 668.46(b)(8);
- (6) A statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws. 34 C.F.R. § 668.46(b)(9);
- (7) A description of any drug or alcohol-abuse education programs. 34 C.F.R. § 668.46(b)(10);
- (8) A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs. The statement must include:
 - (i) A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses;
 - (ii) Procedures students should follow if a sex offense occurs, including procedures concerning who should be contacted, the importance of preserving evidence for the proof of a criminal offense, and to whom the alleged offense should be reported;
 - (iii) Information on a student's option to notify appropriate law enforcement authorities, including on-campus and local police, and a statement that institutional personnel will assist the student in notifying these authorities, if the student requests the assistance of these personnel;
 - (iv) Notification to students of existing on-and off-campus counseling, mental health, or other student services for victims of sex offenses;
 - (v) Procedures for campus disciplinary action in cases of an alleged sexual offense, including

a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary hearing and that both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense; and

- (vi) Sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses. 34 C.F.R. §668.46(b)(11);
- (9) A statement advising the campus community where law enforcement agency information concerning registered sex offenders may be obtained, such as a local law enforcement agency with jurisdiction for the campus or a computer network address. 34 C.F.R. § 668.46 (b)(12);
- (10) Statistics for the three most recent calendar years concerning the occurrence on campus, in or on non-campus buildings or property, and on public property of the following that are reported to local police agencies or to a campus security authority.
 - (a) Criminal homicide
 - (b) Murder and non-negligent manslaughter
 - (c) Negligent manslaughter
 - (d) Sex offenses:
 - i. Forcible sex offenses
 - ii. Non-forcible sex offenses
 - (e) Robbery
 - (f) Aggravated assault
 - (g) Burglary
 - (h) Motor vehicle theft
 - (i) Arson
 - (j) Arrests for liquor law violations, drug law violations, and illegal weapons possession. 34 C.F.R. § 668.46(c)(1); and
- (11) The institution must provide a geographic breakdown of the statistics reported under paragraphs (c)(1) and (3) of 34 C.F.R. § 668.46 by crimes that occur (1) on campus; (2) residential facilities for students that are located on campus; (3) non-campus buildings or property; and (4) public property. 34 C.F.R. § 668.46(c)(4).

Noncompliance: WRMCOT failed to distribute its campus crime reports in accordance with Federal regulations. In its Security Policy, WRMCOT refers students to contact the local police department to obtain information regarding crime statistics. WRMCOT indicated in interviews with program reviewers there was no crime to disclose; however, WRMCOT still must provide the informational report to all students (current and prospective) as well as staff members yearly. This can be done through an electronic notification or in paper format.

Required Action: WRMCOT must, going forward, notify students and employees by October 1 of the availability of the ASR. WRMCOT must develop policies and procedures to ensure notification and distribution occurs yearly. As part of their response to the Program Review Report, WRMCOT must provide a copy of these procedures to the Department as well as assurances that the ASR will be distributed as required to applicable parties. Additionally, WRMCOT must provide copies to the Department of all materials distributed relevant to the Clery Act, including the most recent Report.

Finding 6. Failure to Develop and Implement a Drug and Alcohol Abuse Prevention Program

Citation: The Drug-Free Schools and Communities Act and the Department's regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, each IHE must provide the following information in writing to each student (enrolled for any type of academic credit except for continuing education units) and each employee:

- (1) the institution's standards of conduct prohibiting the possession, use, and distribution of alcohol and other drugs (AOD);
- (2) possible sanctions for violations of Federal, state, and local drug and alcohol and laws as well as sanctions for violation of institutional policies;
- (3) health risks associated with the use of AOD;
- (4) information on counseling, rehabilitation, and treatment programs; and,
- (5) a clear statement that the IHE will impose sanctions on students and employees who violate alcohol and other drug laws, ordinances, and/or institutional policies.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its AOD program and to ensure consistent enforcement of applicable laws, ordinances, and institutional policies for violators. The biennial review materials

must be maintained by the IHE and made available to the Department upon request.
34 C.F.R. § 86.100.

Noncompliance: WRMCOT has failed to develop and implement a Drug and Alcohol Abuse Prevention Program that is in compliance with Federal regulations. A review of WRMCOT's consumer information, student handbooks, and other pertinent publications disclosed no indication that a Drug and Alcohol Abuse Prevention Program is or has ever been in place for WRMCOT students.

Required Action: WRMCOT is required to take all necessary corrective actions to rectify this violation and all others identified in this program review report. In response to this report, WRMCOT must develop and implement a Drug and Alcohol Abuse Prevention Program that conforms with Federal regulations and guidance. Specifically, WRMCOT's must:

- Develop and implement a substantive drug and alcohol abuse prevention program. The program materials must include all of the required elements set forth in the Drug-Free School Act;
- Develop procedures for ensuring that the required materials are distributed to every enrolled student who is matriculating toward a credential and every employee of WRMCOT.
- Conduct a biennial review to measure the effectiveness of its AOD education and prevention programs. WRMCOT must describe the methods and data analysis tools that will be used to determine the effectiveness of the program as well as the responsible official or office that will conduct the review. Drug-Free Schools Act went into effect in 1990; longstanding practice dictates that the biennial review is normally conducted in even-numbered years. Based on WRMCOT's failure to develop and implement programs and to measure the effectiveness of the programs, WRMCOT must conduct a new review. The new biennial review must be completed by June 15, 2012.

WRMCOT must provide a discussion of the completed biennial review, along with a copy of the newly developed policies and procedures with WRMCOT's response to this report.

Finding 7. Consumer Information Requirements Not Met

Citation: As outlined in 34 C.F.R. § 668.41, an institution must, on an annual basis, provide direct individual notice to each currently enrolled student about various consumer information items. Such notices may be provided to each student via the U.S. Postal Service, direct mail, or directly to student e-mail addresses. This notice must summarize the information required to be disclosed, provide an electronic Web address where the information can be found, inform a student that he or she is entitled to a paper copy of the information, and inform the student how to request a paper copy. In addition,

the notice must be sufficiently detailed to allow students to understand the nature of the disclosures and make an informed decision whether to request the full reports. These disclosures include information on financial assistance available to students, as described in 34 C.F.R. § 668.42, and information about the school, as described in 34 C.F.R. § 668.43. Consumer information disclosures also require the release of information regarding the institution's completion or graduation rate, under 34 C.F.R. § 668.45.

Other consumer information disclosures are required by the Higher Education Opportunity Act (Public Law 110-315) (HEOA), reauthorizing the Higher Education Act of 1965, as amended (the HEA). The provisions of the HEOA were effective upon enactment, August 14, 2008, unless otherwise noted in law.

Noncompliance: WRMCOT failed to provide, or make readily available, consumer information to the campus community and the public in the following six categories:

- 1) Notice of Federal Student Financial Aid Penalties for Drug Law Violations
- 2) Drug and Alcohol Abuse Prevention Program
- 3) Retention Rate
- 4) Constitution and Citizenship Day
- 5) Placement Rates
- 6) Copyright Infringement Policies and Sanctions, Including Computer Use and File Sharing

Specific requirements related to each missing disclosure are cited below by topic:

Notice of Federal Student Financial Aid Penalties for Drug Law Violations

All institutions participating in Title IV, HEA student financial aid programs must provide to each student, upon enrollment, a separate, clear, and conspicuous written notice that advises the student that a conviction for any offense, during a period of enrollment for which the student was receiving Title IV, HEA program funds, under any federal or state law involving the possession or sale of illegal drugs will result in the loss of eligibility for any Title IV, HEA grant, loan, or work-study assistance.

Each institution must provide a notice in a timely manner to each student who has lost eligibility for Title IV, HEA assistance as a result of the penalties under HEA Sec. 484(r)(1). The notice must be a separate, clear, and conspicuous written notification of the loss of eligibility and must advise the student of the ways in which the student can regain eligibility. HEOA Sec. 488(g); amended HEA Sec. 485; Added HEA Sec. 485(k); 34 C.F.R. §668.40.

Drug and Alcohol Abuse Prevention Program

Each institution, that receives any federal funds, must annually distribute in writing to each student and each employee, the following information regarding drugs and alcohol:

- standards of conduct that clearly prohibit the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the institution's property or as part of any of the institution's activities;
- description of applicable legal sanctions under state, local, and federal law
- description of health risks;
- description of available counseling, treatment, rehabilitation, or re-entry programs; and
- a clear statement that the institution will impose sanctions for violation of standards of conduct and a description of the sanctions.

HEOA Sec. 107; amended HEA Sec. 120; new HEA Sec. 120(a)(B)-(C); 34 C.F.R. §86.

Retention Rate

All institutions participating in Title IV, HEA student financial aid programs must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, the retention rate of certificate- or degree-seeking, first-time, undergraduate students as reported to IPEDS. HEOA Sec. 488(a)(1)(E); amended HEA Sec. 485(a)(1); Added HEA Sec. 485(a)(1)(U); 34 C.F.R. §668.41(d).

Constitution and Citizenship Day

Confirmation that the institution held an educational program commemorating the September 17, 1787 signing of the Constitution on September 17th of each year (or preceding or following week if the 17th falls on a Saturday, Sunday, or holiday).

[Division J of Pub. L. 108-447, the "Consolidated Appropriations Act, 2005," Dec. 8, 2004; 118 Stat. 2809, 3344-45 (Section 111)]

Placement Rates

All institutions participating in Title IV, HEA student financial aid programs must make available to any enrolled or prospective student through appropriate publications, mailings, or electronic media, the placement of, and types of employment obtained by, graduates of the institution's degree, or certificate programs. 34 C.F.R. § 668.41(d)(5). In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, the institution must make available at or prior to the time the student applies to enroll the most recent available data concerning employment statistics, and any other information necessary to substantiate the truthfulness of the advertisements. 34 C.F.R. § 668.14(b)(10)(i).

Copyright Infringement Policies and Sanctions, Including Computer Use and File Sharing

All institutions participating in Title IV, HEA student financial aid programs must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, the institution's policies and sanctions related to copyright infringement, including

- a statement that explicitly informs students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file sharing, may subject the students to civil and criminal liabilities;
- a summary of the penalties for violation of federal copyright laws; and
- the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system.³⁴ C.F.R. §668.43(a)(10)(i) through (iii) and (11).

Required Action: WRMCOT must revise policies and procedures for preparing and disseminating consumer information disclosures in compliance with federal regulations. Additionally, WRMCOT must immediately make missing information available to students and employees online. Written explanation of the online updates along with a copy of WRMCOT's revised policies and procedures should accompany its response to this report.

D. Recommendations

The following recommendations are based upon observations made by the review team during the program review. WRMCOT is not required to provide a response to these recommendations. However, the review team believes that adoption of these recommendations will assist the institution in its administration of Title IV, HEA program funds.

1) WRMCOT's third party servicer submits an excessive number of award adjustment transactions to the Department's COD system. Disbursements should be reported to COD after the institution determines the student is eligible for the disbursement and the school has or plans to disburse the funds to students. Disbursement records must be substantiated within 30 days of the disbursement. Disbursement records should not be set-up on an automatic schedule that continuously reports funds as disbursed and returned when in fact the funds were neither disbursed nor returned. Following is the transaction history for Student # 33 as reported to the Department's COD system:

Sequence #	Description	Action Date	Scheduled Amount	Accepted Amount	Disbursement Date	Response Date
1	<u>SUBSTANTIATED DISBURSEMNT</u>	<u>01/27/2010</u>	<u>\$5,350.00</u>	<u>\$1,783.00</u>	<u>01/29/2010</u>	<u>01/27/2010</u>

Sequence #	Description	Action Date	Scheduled Amount	Accepted Amount	Disbursement Date	Response Date
1	SUBSTANTIATED DISBURSEMNT	04/12/2010	\$5,350.00	\$1,784.00	04/19/2010	04/12/2010
2	SUB DISB CREDIT ADJ	04/28/2010	\$5,350.00	(\$1,784.00)	04/19/2010	04/28/2010
<u>3</u>	<u>SUB DISB DEBIT ADJ</u>	<u>05/03/2010</u>	<u>\$5,350.00</u>	<u>\$1,784.00</u>	<u>04/19/2010</u>	<u>05/03/2010</u>

Sequence #	Description	Action Date	Scheduled Amount	Accepted Amount	Disbursement Date	Response Date
<u>1</u>	<u>SUBSTANTIATED DISBURSEMNT</u>	<u>11/10/2010</u>	<u>\$5,550.00</u>	<u>\$1,850.00</u>	<u>11/15/2010</u>	<u>11/10/2010</u>

Sequence #	Description	Action Date	Scheduled Amount	Accepted Amount	Disbursement Date	Response Date
1	SUBSTANTIATED DISBURSEMNT	11/12/2010	\$5,550.00	\$1,850.00	11/11/2010	11/12/2010
2	SUB DISB CREDIT ADJ	12/06/2010	\$5,550.00	(\$1,850.00)	11/11/2010	12/06/2010
3	SUB DISB DEBIT ADJ	12/07/2010	\$5,550.00	\$1,850.00	11/11/2010	12/07/2010
4	SUB DISB CREDIT ADJ	12/29/2010	\$5,550.00	(\$1,850.00)	11/11/2010	12/29/2010
5	SUB DISB DEBIT ADJ	01/03/2011	\$5,550.00	\$1,850.00	11/11/2010	01/03/2011
6	SUB DISB CREDIT ADJ	01/24/2011	\$5,550.00	(\$1,850.00)	11/11/2010	01/24/2011
7	SUB DISB DEBIT ADJ	01/26/2011	\$5,550.00	\$1,850.00	11/11/2010	01/26/2011
9	SUB DISB CREDIT ADJ	05/13/2011	\$5,550.00	(\$925.00)	02/04/2011	05/13/2011

Sequence #	Description	Action Date	Scheduled Amount	Accepted Amount	Disbursement Date	Response Date
1	SUBSTANTIATED DISBURSEMNT	01/27/2011	\$5,550.00	\$1,850.00	02/02/2011	01/27/2011
2	SUB DISB CREDIT ADJ	02/22/2011	\$5,550.00	(\$1,850.00)	02/02/2011	02/22/2011
3	SUB DISB DEBIT ADJ	03/28/2011	\$5,550.00	\$1,850.00	02/02/2011	03/28/2011
4	SUB DISB CREDIT ADJ	04/07/2011	\$5,550.00	(\$925.00)	02/02/2011	04/07/2011
5	SUB DISB CREDIT ADJ	05/02/2011	\$5,550.00	(\$925.00)	02/02/2011	05/02/2011
6	SUB DISB DEBIT ADJ	05/03/2011	\$5,550.00	\$925.00	02/02/2011	05/03/2011
7	SUB DISB CREDIT ADJ	05/11/2011	\$5,550.00	(\$925.00)	02/02/2011	05/11/2011

Following is the disbursement history for Student #33 based on the student's account card:

Winter Trimester 2010:	Federal Pell Disbursement	02/03/2010	\$1,783
Spring Trimester 2010:	Federal Pell Disbursement	05/17/2010	\$1,784
Fall Trimester 2010:	Federal Pell Disbursement	11/16/2010	\$1,850
Winter Trimester 2011:	Federal Pell Disbursement	02/07/2011	\$1,850
Winter Trimester 2011:	Federal Pell Return	04/07/2011	<\$925>

Program reviewers were unable to easily track student level transactions from the student's account ledger to the Department's COD system to ensure funds were disbursed and/or returned timely. Those transactions marked in yellow above are the transactions that reviewers believe correspond with the disbursement records reported on the student's account card. Financial transactions should have a clear and complete audit trail. In addition, the disbursement date reported in COD should match the date that the institution posted the disbursement to the student's account card. The Department strongly recommends that WRMCOT works with its third party servicer to correct the COD reporting issues discussed above and ensure that the institution's disbursement records match that reported to the Department.

2) While reviewing student account cards, program reviewers noted instances of credit balance refunds during the 2009-2010 award year that were not paid within 14 days of

William R Moore College of Technology

OPE ID 01155300

PRCN 201220727857

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the date the credit balance was created and/or by the end of the last payment period in the award year. Reviewers also noted instances in which Federal Pell Grant funds were not posted to student accounts within three business days of the date in which the institution received the funds. WRMCOT is reminded of its responsibility to comply with applicable cash management and disbursement rules.

Appendix A: Student Sample

Student	Award Year	Last Name	First Name	Last 4
	Year	Name	Name	SSN

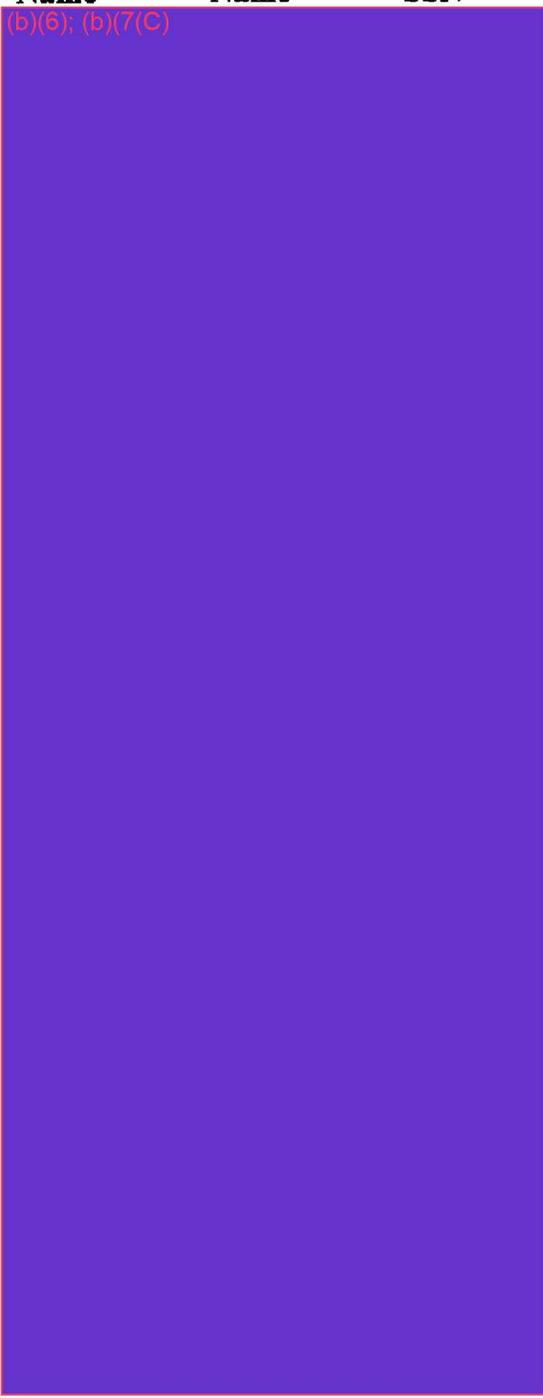
General:

1	2010-2011
2	2010-2011
3	2010-2011
4	2010-2011
5	2010-2011
6	2010-2011
7	2010-2011
8	2010-2011
9	2010-2011
10	2010-2011
11	2010-2011
12	2010-2011
13	2010-2011
14	2010-2011
15	2010-2011
16	2011-2012
17	2011-2012
18	2011-2012
19	2011-2012
20	2011-2012
21	2011-2012
22	2011-2012
23	2011-2012
24	2011-2012
25	2011-2012
26	2011-2012
27	2011-2012
28	2011-2012
29	2011-2012
30	2011-2012

R2T4:

31	2010-2011
32	2010-2011
33	2010-2011

(b)(6); (b)(7)(C)



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Final Program Review Determination
PRCN #: 201220727857

Appendix H.

WRMCOT's Response
to the Program Review Report

William R. Moore College of Technology

1200 Poplar Ave. Memphis, TN 38104-7240

Non-profit Institution - Established 1939

901-726-1977

06-21-12

**Angela Beam. Institutional Review Specialist
Federal Student Aid
U.S. Department of Education**

Re. OPE ID: 01155300 PRCN: 201220727857

Dear Ms. Beam,

Enclosed is our response to the Preliminary Program Review Report of April, 25, 2012 re. William R Moore College of Technology, Memphis, TN.

The documents are presented in eleven files including one xls document which contains three separate spreadsheets. The password for the xls document will be sent in a separate e-mail. A manifest of all e-mail documents is included in the eleven files.

Thank you and Kathy Feith for your work with us in our program review. Our students and our institution will benefit from the improvements generated by this process.

Sincerely,

Don Smith
President

Enclosure
Manifest of Documents

William R Moore College of Technology
Memphis, TN

OPE ID: 01155300 PRCN: 201220727857

Finding No. 1

Failure to Award/Disburse Title IV, HEA Funds Based on Rules Established for Non-Term Programs

Comments

We agree with the finding.

Action Taken

We have reviewed the disbursement history of all the students who have enrolled and attended courses during the 2011-12 award year.

The awards for AY 2011-12 have been adjusted to ensure that students have not received more than 50% of an annual Federal PELL Grant award prior to the student successfully completing one half of the clock hours and weeks of instructional time in the academic year.

The spreadsheet is attached to include the appropriate awards and disbursements. We have revised our policies to define a payment period as 600 hours with 3, 200 hour disbursements. This policy will be adhered to. The new procedures are attached.

Other Comment

Please see attachment 1-6 and 1-7 and 1-8 re. Excused Absence Policy

Please See Attachments

1-1 Policy for Awarding & Disbursing Title IV

1-2 See Recalculation Spreadsheet

1-3 Fee Schedule 2012-13

1-4 SAP

1-5 Comments & Assurances

1-6 Excused Absence Policy

1-7 College Catalog

1-8 Student Signature doc.

Finding No. 2

Improper return of Title IV Fund Calculations- Late/Unmade/Incorrect

Comments

We agree with the finding.

Action Taken

We have identified and reviewed all of the students who have officially and unofficially withdrawn during the 2010-11 and the 2011-12 award years.

The spreadsheet is attached with the requirements needed to be provided as specified in the report from the U.S. Department of Education with regard to the R2T4 calculations.

We have reviewed our policies and procedures to ensure that Returns of Title IV Fund calculations are performed correctly in the future. A copy of these revised R2T4 procedures is attached.

Please See Attachments

2-1 R2T4 Calculation Procedure

2-2 R2 T4 Spreadsheet

2-3 Trial Period of Enrollment

2-4 Acceptance letter

Finding No. 3

Incomplete Verification- Failure to Collect Proper Documentation

Comments

We agree with this finding.

Action Taken

We have reviewed the eight students selected in the Finding and have as much as possible resolved verification deficiencies. We were unable to contact some students and therefore these files remain un-verified.

We have also reviewed all of the students for the designated award years and reviewed the verifications for these students. This information is attached on the spreadsheet. The spreadsheet document actually contains three separate spreadsheets; see spreadsheet for Verification.

The college verification procedures have also been revised and are also attached herein. Our third party servicer will double check our student verifications in the future to ensure compliance.

Please See Attachments

- 3-1 Verification – Student Notification**
- 3-2 Verification – Independent 2011-2012**
- 3-3 Verification – Dependent 2011-2012**
- 3-4 Verification Results for Eight Students**
- 3-5 Verification Spreadsheet**

Finding No. 4

Failure to provide Title IV, HEA Credit Balance to Federal Pell Grant Eligible Students for Book Purchases within First Seven Days of Payment Period

Comments

We agree with the finding.

Action Taken

Change in college policy:

On 05-14-12 the college board of trustees approved a fee schedule for the 2012-2013 college year. This fee schedule includes the cost of books and supplies in the tuition for all courses in all programs.

Any student who has applied for a PELL award and has a projected EFC of 000 will be allowed to sign for their books the first week of class.

Please See Attachments

4-1 Policy Regarding Textbooks

4-2 2012-2013 Fee Schedule

Finding No. 5

Failure to distribute the Annual Security Report (ASR) in accordance with federal regulations.

Comments

We agree with the finding.

Action Taken

We have distributed the latest ASR to current students and employees on June 14, 2012.

A letter was signed both by all students and employees indicating that they have received this information and they are aware that the information is also available on the school website under Consumer Information at <http://www.williamrmoore.org/> or <http://www.mooretech.org>.

Moving forward, a copy of the annual security report will be distributed by October 1, and on an annual basis and it will be provided to new students and employees during the enrollment and hiring processes.

Please See Attachments

5-1 ASR Crime Report

5-2 Crime Log 2010-2011

5-3 Consumer Information Handout

5-4 Consumer Info signatures

Finding No. 6

Failure to develop and implement a drug and alcohol abuse prevention program.

Comments

We agree with the finding

Action Taken

The Alcohol and Other Drug Abuse Prevention Program (AOD) has been revised. Health risks for drug abuse have been added to the program.

A copy of the updated AOD was distributed to all current students and employees on June 14, 2012.

Moving forward, the AOD policy will be provided to prospective student or employees prior to the first day of classes and /or employees commencing employment with the College.

The Biennial review is also included and has been completed prior to June 15, 2012 as instructed in the Program Review Report dated April 25, 2012.

Please see attachment 6-2 referencing this information. Additionally, this information is also available on the college website at:
<http://www.williamrmoore.org/> or <http://www.mooretech.org>.

The original student and employee acknowledgement forms for the Consumer Information Handout which includes the AOD are enclosed with the paper format of this Program Review Response.

Please See Attachments

6-1 AOD Program

6-2 Biennial Review

5-3 Consumer Info Handout

5-4 Consumer Info signatures

Finding No. 7

Consumer Information Requirements Not Met.

Comments

We agree with the finding.

Action Taken

WRMCOT has revised the previous college Consumer Information to include the documentation shown below and has added this information to the front page of the college website. All consumer information disclosures have been revised to comply with federal regulations.

Moving forward, the college has established a procedure to ensure that all Consumer Information is reviewed and updated annually when the Annual Security Report (ASR) is completed on the US DOE Campus Security Report website. The designated Administrative Assistant will update the Consumer Information and will review the proposed changes with the college President prior to release of the publication.

WRMCOT has created a Consumer Information Handout which was provided to all students and employees on 06-14-12. The Consumer Information Handout contains the Alcohol and Other Drug Prevention Program (AOD) and includes; notice of federal student financial aid penalties for drug law violations, updated drug and alcohol abuse prevention program. The Consumer Information also includes; retention rates, constitution day, placement rates, copyright infringement policies, computer use and file sharing. The information is also available on the college website at <http://www.williamrmoore.org/> or <http://www.mooretech.org>.

Please See Attachments

6-1 AOD

7-1 Retention Rate

7-2 Constitution Day

7-3 Placement Rates

7-4 Copyright Infringement

7-5 Computer Use & File Sharing

7-6 Consumer Info Update Procedure

5-3 Consumer Info Handout

5-4 Consumer Info Signature page

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

Institution: William R Moore College of Technology

City, State: Memphis, TN

PRCN: 220727857

TIN: 620497613

DUNS: 083269944

Reviewer: Angela Beam

Region: 07

Date: 10/29/2012

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Pell 10-11	Principal	\$28,628	3875FNOYR	69020	P063P104663
	Pell 10-11	Imputed Interest	\$285	1435RNOYR	64020	N/A
	Pell 11-12	Principal	\$9,450	3875FNOYR	69020	P063P114663
	Pell 11-12	Imputed Interest	\$0	1435RNOYR	64020	N/A
Direct Loan (do not use for estimated loss)	12-13	Principal		3875FNOYR	69020	N/A
	12-13	Imputed Interest		4253XNOYR	53040	N/A
	11-12	Principal		3875FNOYR	69020	N/A
	11-12	Imputed Interest		4253XNOYR	53040	N/A
	10-11	Principal		3875FNOYR	69020	N/A