

# What If I Get Selected for a Program Review?!



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US Department of Education  
MASFAA Conference, November 7, 2016

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## Agenda

- The basics
- The process
- Common findings and areas of concern

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## Ugh.

Ugh.

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What is a Program Review?

- Method of oversight
- Evaluates compliance with Higher Education Act statutes and Title IV regulations
  - Examination of financial aid, fiscal, and academic records
  - Review of consumer information requirements
  - Interviews with institutional staff and students
- Identifies errors in compliance and liabilities owed
- *Tool to improve future institutional capabilities*

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Why are Program Reviews Conducted?

The Secretary of Education is mandated under Section 498A of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. § 1099c, to conduct program reviews at Title IV higher education institutions

- (a) GENERAL AUTHORITY - In order to *strengthen the administrative capability and financial responsibility provisions* of this title, the Secretary -
  - (1) shall provide for the conduct of program reviews on a *systematic basis* designed to include all institutions of higher education participating in programs authorized by this title....

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Who Conducts Program Reviews?

- Federal Student Aid
- Program Compliance
  - School Eligibility Service Group (SESG)
  - School Participation Division
    - *Program Review Team (Boston)*

Secretary of Education has delegated responsibility of conducting program reviews

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### How Are Institutions Selected?

20 USC 1099c-1 (a)(2): (The Secretary) shall give priority for program review to institutions of higher education that are institutions with:

- High cohort default rates or dollar volume of default (=>25%)
- Significant fluctuations in Federal Pell Grant or loan volume
- Reported deficiencies or financial aid concerns by the State or accrediting agency
- High annual dropout rates
- *Any other institution the Department determines may pose significant risk of failure to comply with administrative capability or financial responsibility requirements*

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### Types of Program Reviews

- General assessment review
  - Various areas addressed
  - General review of processes
- Focused program review
  - Specific compliance issues or processes
- Joint program review
  - Adverse action or significant liabilities
- Compliance Assistance Review (CAR)
  - Low risk

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*And so it begins...*

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### Preparation for Program Review

- Receive notification of program review
  - Advance notice review
  - Short notice review
- Notify third-party servicer, if applicable
- Respond to announcement letter

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### Preparation for Program Review

- Announcement letter will include a request for information to be provided before or during the review
- If you have questions about what is requested, *call the reviewer* immediately
- *Inform all administrators* at your school about the review
- Impress upon administration and staff the importance of the review and *ensure they will be available*

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### The Program Review Process

- School selected for a program review
  - Off-site or onsite
  - Announced or unannounced
- Review conducted
  - Typically five days
  - Involves files, policies, and fiscal procedures and records

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## Entrance Conference

- On-site program review
  - Outline activities for the week and explain review scope
  - Clarify what is needed and from whom
  - Provide random student sample for review
  - Establish required documents and time frames
  - Schedule exit conference
- Off-site program review
  - Conference call
  - Usually limited scope

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## Entrance Conference

### Who should attend?

- Financial Aid
- Business Office
- Admissions
- Registrar
- Systems/IT
- Senior management




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## Assisting the Reviewers

- Help the reviewers understand your institution's processes
- Arrange for staff to be available and to provide requested documents
- *Provide review team with space to work, preferably a private space, and access to copier and telephone*

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**Access to Staff and Students**

- Designate a knowledgeable contact person in each office involved
- Never restrict access to any staff member or student
- Ensure that a third-party servicer contact is available, if applicable

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**Access to Records**

- Academic records for student sample
- Student financial aid files
- Admission files
- Accounting records
- Third-party servicer records
- Course descriptions
- Budgets/cost of attendance

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**Program Review Areas**

- Institutional eligibility
- Student eligibility
- Financial management
- Electronic processes and reporting

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## Institutional Eligibility

- Eligible programs
  - Clock-to-credit hour conversion
- Eligible locations
- Consumer information
- Campus security
- Contractual and consortium agreements
- Separation of duties
- Administrative capability
- *Policies and procedures*

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## Student Eligibility

- Packaging
- Award documentation
- Verification
- Professional judgment
- Conflicting information
- Enrollment status
- Satisfactory academic progress
- Attendance
- Disbursements
- Credit balances
- Return of Title IV Funds (R2T4)

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## Student-Level Information

Student files	Student Records Compared to Department Data	Interviews
<ul style="list-style-type: none"> <li>• Admissions</li> <li>• Academic</li> <li>• Financial Aid</li> <li>• Student Account Ledger</li> </ul>	<ul style="list-style-type: none"> <li>• NSLDS</li> <li>• COD</li> <li>• CPS</li> </ul>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Student</li> </ul>

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## Financial Management

- Drawdowns and disbursements
- Bank accounts and statements
- Returns and refunds
- Excess cash
- Reconciliation
  - G5 ↔ bank statements ↔ ledgers ↔ COD ↔ FISAP

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## Electronic Processes

- NSLDS
  - Enrollment reporting, Perkins Loans, overpayments, Transfer Student Monitoring, Gainful Employment
- eZ-Audit
- G5
- Campus crime statistics
- IPEDS
- ISIR processing
- COD reporting

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## Exit Conference

### Who should attend?

- Financial Aid
- Business Office
- Admissions
- Registrar
- Systems/IT
- Senior management




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**Exit Conference**

- Field work substantially completed
- Preliminary findings
  - *Further research in office may add or subtract findings from the report*
- Next steps
  - Additional documentation needed
  - Time frames for follow-up

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**Almost there....**

*Almost there....*

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**Program Review Completed**

*Possible Outcomes*

- Additional information requested
- Expedited Determination Letter (EDL) issued
- Program Review Report (PRR) issued

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### Request For Additional Information

- Institution requested to send documentation
- Short time frame to provide information
- If information is not provided...
  - On-site visit may be scheduled
  - PRR includes findings otherwise omitted
  - PRR includes Administrative Capability finding

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### Expedited Determination Letter

- EDL issued
  - No instances of non-compliance (findings) or only minor (non-systemic) findings identified
  - Any findings corrected prior to issuance of EDL
  - Any liabilities were paid/collected prior to issuance of EDL
- Three standard sections
  - Scope of Review and Disclaimer
  - Findings, if applicable
  - Recommendations, if applicable

*Sample template in Program Review Guide*

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### Program Review Report

- Identifies findings with regulatory citations and actions required of the institution
- Standard sections
  - Cover page
  - Table of Contents
  - Institutional Information
  - Scope of Review and Disclaimer
  - Findings and Required Actions
  - Recommendations, if applicable
  - Appendices and Enclosures

*Sample template in Program Review Guide*

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### Program Review Findings

- Student-specific findings
  - No potential or actual liability
  - Potential or actual liability
    - Small error rate
    - High error rate (may require file review)
  
- Institutional findings
  - Incomplete or unacceptable policies or procedures
  - Problems related to institutional eligibility, program eligibility, location eligibility, financial responsibility, financial reporting, other concerns

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### Institutional Response

- Written response
- Submit by due date
- Concern regarding any PRR conclusions
- Document required actions from PRR
  - Correct policies or procedures or student-specific errors
  - Conduct file review
  - Provide information to quantify liability
- Request extension of time for good cause

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### ED Follow Up to Response

- Response not received by due date
  
- Missing information or need clarification
  
- Response rejected
  - Problems with documents
  - Typically another 30 days are provided to correct and respond

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**Final Determination Letter (FPRD)**

- Department’s final determination for each finding
- Identifies liabilities and provides payment instructions
- Closes program review if appropriate
- State authorizing and accrediting agencies will receive copies
- Subject to FOIA

*Sample template in Program Review Guide*

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**Closeout Letter or Appeal of Liability**

- FPRD Closeout Letter
  - Issued after satisfactory response to FPRD
  - Not issued if institution files appeal
- Appeal of Monetary Liabilities
  - Filed within 45 days
  - Collection efforts deferred on appealed liability amount
  - Billing resumes if appeal decision is in Department’s favor
  - Non-appealed liabilities must be paid

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**Top Ten  
Compliance Concerns  
FY 2015**  
*(by occurrence)*

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**Top Ten Program Review Findings**

1. Crime awareness requirements not met
2. Verification violations
3. Return of Title IV (R2T4) calculation errors
4. Student credit balance deficiencies
5. Drug abuse prevention program criteria not met
6. NSLDS enrollment reporting inaccurate or untimely
7. Entrance/Exit counseling deficiencies
8. Consumer information requirements not met
9. Satisfactory Academic Progress (SAP) policy not developed or monitored
10. Inaccurate recordkeeping

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**Top Ten Audit Findings**

1. Repeat findings/Failure to correct
2. NSLDS enrollment reporting inaccurate or untimely
3. Return of Title IV (R2T4) calculation errors
4. Return of Title IV (R2T4) calculations made late
5. Verification violations
6. Pell overpayment/underpayment
7. Qualified auditor's opinion
8. Entrance/Exit counseling deficiencies
9. Student credit balance deficiencies
10. Improper origination of Direct Loans **(NEW)**

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### Findings in Common

- R2T4 calculation errors
- Verification violations
- NSLDS enrollment reporting inaccurate or untimely
- Student credit balance deficiencies
- Entrance/Exit counseling deficiencies

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### Issues to Consider

- Lack of communication
  - Within the office and between different offices
  - All key personnel not aware of past problems
- Lack of knowledge/training
  - External and internal training
- No back-up or succession planning
- *Lack of written policies and procedures*

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### Potential Problems

- *No internal review process*
- Lack of checks and balances
- Lack of resources
  - Equipment, *staff*, supplies, software
- System problems
  - Outdated software, limited flexibility, manual work-arounds

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## Primary Resources

- *Program Review Guide:*  
<https://ifap.ed.gov/programrevguide/2009ProgramReviewGuide.html>
- *Federal Student Aid Handbook*

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## Thank you!

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## Department of Education Contacts

### *Region I Training Officers (New England)*

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**Department of Education Contacts**

*Region I School Participation Division*

617.289.0133



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**Department of Education Contacts**

*Research and Customer Care Center*  
800.433.7327  
fsa.customer.support@ed.gov



*Reach FSA*  
855.FSA.4FAA -- 1 number to reach 10 contact centers!  
*Campus Based Call Center*    *eZ-Audit*  
*COD*                                    *School Eligibility Service Group*  
*CPS/SAIG*                           *Foreign Schools Participation Division*  
*NSLDS*                                *Research and Customer Care Center*  
*G5*                                       *Nelnet Total & Permanent Disability Team*



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**We Appreciate Your Feedback**

To ensure quality training we ask all participants to please fill out an online session evaluation:

<https://www.surveymonkey.com/r/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to [joann.borel@ed.gov](mailto:joann.borel@ed.gov).



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