



February 12, 2018

Dr. Aminta H. Breaux
President
Bowie State University
1400 Jericho Park Road
Bowie MD, 20715-9465

Sent Via: Email and UPS Tracking:
1ZA879640294616740

RE: **Final Program Review Determination**
OPE ID: 00206200
PRCN: 20162029263

Dear Dr. Breaux:

The U.S. Department of Education's (Department's) School Participation Team - Philadelphia issued a program review report on August 17, 2016 covering Bowie State University's (BSU) 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 2014-2015 and 2015-2016 award years. BSU's final response was received on December 15, 2016. A copy of the program review report (and related attachments) and BSU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by BSU 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 **\$218,219.34**. 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

Federal Student Aid

AN OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division - Philadelphia

The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107

Student Aid.gov

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.

In addition, Appendices C-L also contain PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the August 17, 2016 program review report. If BSU wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date BSU receives this FPRD. An original and four copies of the information BSU submits must be attached to the request. The request for an appeal must be sent to:

Susan Crim, 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

Bowie State University'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
- (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 BSU'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. Carmen L. Austin at (215) 656-8582. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Nancy Paula Gifford
Division Director

Enclosure:

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

cc: Ms. Deborah Stanely, Financial Aid Administrator
Middle States Commission on Higher Education
Maryland Higher Education Commission
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

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 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 Win Zip 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 and electronic files 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

Bowie State University

Federal Student Aid

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OPE ID: 00206200
PRCN: 20162029263

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

Final Program Review Determination
February 12, 2018

School Participation Division - Philadelphia
The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107
StudentAid.gov

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A. Institutional Information

Bowie State University
 14000 Jericho Park Road
 Bowie, MD 20715

Type: Public

Highest Level of Offering: Master's or Doctor's Degree

Accrediting Agency: Middle States Commission on Higher Education

Current Student Enrollment: 6,187 (2015-2016)

Percentage of Students Receiving Title IV: 72% (2015-2016)

Title IV Participation

2014-2015 Award Year	
Federal Pell Grant	\$10,476,821
Federal Supplemental Educational Opportunity Grant	\$162,218
Federal Teach	\$38,585
Federal Work Study (FWS) Program	\$138,856
Federal Perkins Loan Program	\$63,000
William D. Ford Federal Direct Loan Program	\$34,351,011

Default Rate FFEL/DL: 2011 - 12.8%
 2010 - 8.5%
 2009 - 3.3%

Perkins Rate: 2014 - 36.7%
 2013 - 59.0%
 2012 - 41.7%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bowie State University (BSU) from February 29, 2016 to March 4, 2016. The review was conducted by Ms. Carmen L. Austin and Ms. Jean Brennan.

The focus of the review was to determine BSU's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of BSU'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 2014-2015 and 2015-2016 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on August 17, 2016.

Disclaimer:

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

C. Findings and Final Determinations

Findings with Final Determinations

The program review report finding(s) requiring further action are summarized below. At the conclusion of each finding is a summary of BSU's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on August 17, 2016 is attached as Appendix A.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

Finding #1: Inadequate Policy and Procedures for Monitoring Student Status

Citation Summary: Federal regulations require an institution that is not required to take attendance to have alternative procedures to determine whether a Title IV aid recipient began attendance in each class during a payment period or period of enrollment. Before disbursing Title IV funds, an institution must first determine that the student is eligible to receive the funds. If the disbursement will occur on or after the first day of classes, the institution must ensure that the student began attendance. The Blue Book, Chapter 14, page 2-94.

The Secretary considers that a student has not begun attendance if the institution is unable to document attendance in any class during the payment period or period of enrollment. 34 C.F.R. § 668.21 (b).

Federal regulations also require an institution to return all Title IV funds disbursed to students who fail to begin attendance. 34 C.F.R. § 668.21. For students that began attendance in some but not all of the classes, the institution is required to recalculate the student's Federal Pell Grant Program award based on the student's actual enrollment status. 34 C.F.R. § 690.80 (b)(ii).

Dear Colleague Letter (DCL) Gen-04-03 (Revised) requires an institution to have a procedure for determining whether a Title IV aid recipient who began attendance completed the period or whether the student should be treated as a withdrawal. The DCL provides guidance for an institution to make this determination. For instance, if a student earns a passing grade in one or more classes, an institution is permitted to make the presumption that the student completed the course and thus completed the period. If a student who began attendance fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes that the student unofficially withdrew, unless the institution can document that the student completed the program. An institution may use its policy for awarding or reporting final grades to determine whether a student who failed to earn a passing grade in any class completed the period.

For students who unofficially withdrew, the institution must perform a R2T4 calculation and follow the procedures in 34 C.F.R. § 668.22 (b) or (c) to determine the student's date of withdrawal.

Noncompliance Summary: BSU failed to have a procedure in place to monitor whether a Title IV aid recipient began attendance during a period, completed the period, or withdrew. In addition, the institution did not have an adequate policy in place to monitor students who received "NG" grades.

Required Action Summary: BSU was required to review the files of 241 students who received all F grades to determine if those students earned those grades or unofficially

withdrew. In addition, BSU was required to review the files of the 915 students who received NG grades to determine if these students actually completed the class and provide documentation that the student began attendance in all classes for each semester.

For each student that BSU can document began attendance in some, but not all of the classes, BSU was required to recalculate the student's Federal Pell Grant Program award based on the student's actual enrollment status.

BSU was required to compile the results of its file review in a spreadsheet and provide the results in both hardcopy and electronic format with its response to the program review report.

Further, BSU was required to establish procedures to monitor a student's status through the end of a semester. BSU was required to submit a copy of the procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that its undergraduate catalog defines that "failure to drop or withdraw from a class officially will result in a grade of 'F'". In addition, the class attendance policy also identifies that five or more unexcused absences may result in the student receiving an "F" grade.

BSU also stated that effective in the Spring 2017 semester, the grade option of FN (Failure for non-attendance) would be assigned to students who have stopped attending class but have not officially withdrawn. Faculty will be required to provide a last date of attendance when assigning an FN grade. The institution noted that pending approval by the faculty senate, faculty will be required to verify attendance of each student 14 days past the end of add/drop period.

BSU also identified 238 students in the 2014-2015 award year and 74 students in the 2015-2016 award years who were Federal Pell Grant recipients and whose academic transcript contained a grade of "NG."

In addition, BSU summarized the results of its file review in a spreadsheet and identified 121 students who received all "F" and 9 students "NG" grades who withdrew or had unofficially withdrawn during the 2014-2015 and 2015-2016 award years.

For each student that withdrew or unofficially withdrew, the institution submitted R2T4 calculations that were performed for each student. BSU's file review is included as Appendix C.

Lastly, BSU submitted a copy of its revised policies and procedures with its response to the program review report.

Final Determination: The Department reviewed BSU's response and the results of the required file review. Out of the 130 students who withdrew or unofficially withdrew, the Department determined that 56 students for the 2014-2015 award year and 34 students for the 2015-2016 award year have outstanding funds to be returned to the Department. The Department's analysis is included as Appendix D.

The Department also determined that BSU disbursed ineligible funds to five out of the 56 students in the 2014-15 award year and two out of the 34 students who were not enrolled in the spring 2016 semester. The students who received ineligible funds are highlighted in Appendix D.

Based on its analysis, the Department determined that the amount of Federal Pell Grant funds to be returned to the Department is \$10,923.63 in Federal Pell Grant funds and \$166,722.47 in Federal Direct Loan funds. The Department's analysis is included as Appendix E.

Furthermore, the Department incurs a cost when it makes funds available to an institution as a result of borrowing those funds from the U.S. Treasury and must pay interest on those funds. The Department determined that the cost to the government in Federal Pell Grants is \$110.53 and for Federal Direct Loans \$2,208.00. The results of that calculation, to date, is included as Appendix E.

BSU is required to return the outstanding funds to the Department. When returning the funds to the Department, BSU must provide the following identification data along with its payment; institution's DUNS number, 9-digit tax identification number (TIN) and the program review control number (PRCN).

The following chart provides the specific details for the amounts that need to be returned for each Title IV program. The total liability to be remitted for this finding is \$179,964.63. Section E of this letter provides instructions for the repayment of this liability.

Outstanding Funds To Be Returned to The Department			
Award Year	Title IV Program	Amount to be Returned	Total
2014-2015	Federal Pell Grant	\$5453.25	
2015-2016	Federal Pell Grant	\$5470.38	
2014-2015	Direct Subsidized Loan	\$26,914.07	
2015-2016	Direct Subsidized Loan	\$22,236.11	
2014-2015	Direct Unsubsidized Loan	\$76,139.46	
2015-2016	Direct Unsubsidized Loan	\$35,642.19	
2014-2015	Direct Plus Loan	\$1,772.75	
2015-2016	Direct Plus Loan	\$4,017.89	
Sub Totals:		\$177,646.10	
Interest:		\$2,318.53	
Total Liability			\$179,964.63

Additionally, BSU must make the Common Origination and Disbursement (COD) student-level adjustments for both the Federal Pell Grant and Federal Direct Loan Returns for the students identified in Appendix E prior to the repayment of the liability.

The Department reviewed the results of the file review for students whose transcript contained a grade of "NG" and the supporting documentation submitted in response to this finding. The Department reviewed all Federal Pell Grant recipients for the 2014-2015 and 2015-2016 award years and determined that the students benefited from their full eligibility in the Federal Pell Grant program.

Lastly, the Department reviewed BSU's revised policies and procedures and determined that the institution has strengthened its process for monitoring student status. BSU must ensure that it follows its procedures for monitoring student status to prevent a reoccurrence of this finding.

Finding #2: Inadequate Policy and Procedures for Monitoring Conditionally Admitted Students

Citation Summary: A student is eligible to receive Title IV, HEA program assistance if the student, among other things, is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution. 34 C.F.R. § 668.32 (a)(1)(i).

Noncompliance Summary: BSU failed to have a procedure in place to monitor students who were admitted on probationary conditions. In addition, BSU did not have a procedure in place to monitor whether students who were admitted on probationary conditions successfully met the conditions as set forth in the institution's policy.

Required Action Summary: BSU was required to establish procedures to monitor whether students who were admitted on probationary conditions successfully met the conditions as set forth in the institution's policy. The institution was also required to submit a copy of the procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that, based on this finding, the Office of Admissions no longer admits students to BSU on a conditional basis.

BSU also stated that all students who apply to BSU are evaluated based on one standard set of admissions qualifications. Any student who does not meet the qualifications for admission to the university has the opportunity to do one of the following:

- Re-apply for admission after earning 24 credit hours in transferable, college-level coursework with at least a 2.00 cumulative GPA.

- Submit an online request to appeal the admissions decision. Appeals are reviewed by an appeals committee, which is outside of the auspices of the Office of Admissions. Once the appeal is reviewed, a final decision is rendered.

Final Determination: The Department reviewed BSU's response and determined that the institution has strengthened its process for monitoring the admission of its students.

BSU must ensure that it follows its procedures for monitoring admitted students to prevent a reoccurrence of this finding. The Department has accepted BSU's response and considers this finding to be closed.

Finding #3: Failure to follow Admissions Policy

Citation Summary: Federal regulations require a student to possess a high school diploma or its recognized equivalent in order to be eligible for Title IV aid. 34 C.F.R. § 668.32 (e)(1).

Noncompliance Summary: BSU failed to follow its admissions policy to maintain a copy of the final high school transcript with the graduation date for students #6, 8 and 16.

Required Action Summary: While the Department was on-site, BSU obtained the final high school transcripts for students #8 and 16 but not student #6. BSU was required to obtain the final high school transcript with an official signature for student #6 and provide a copy with its response to this program review report.

BSU was also required to review its admissions policy and provide any changes of its policy with its response to this program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that, as a result of this finding, the Office of Admissions requires all new freshman and transfer students with less than 24 credits and starting in the fall, to submit an official final high school transcript with the graduation date to the office by June 30th of the year of intended matriculation.

BSU stated that students matriculating in the spring semester will be required to submit an official final high school transcript by the Friday prior to first day of class. Students admitted after June 1st for the subsequent fall semester will have until the Friday, two weeks prior to the first day of class to submit an official final high school transcript.

BSU also stated that students are notified in their admission letter that an official final high school transcript with date of graduation must be submitted to the Office of Admissions. A hold will be placed on each student's account at the time of admission (which will prevent Title IV funds from being disbursed on the students' account) until the transcript is received.

Additionally, BSU stated that students who do not submit their official final high school transcript by the deadlines will be dropped from all courses, and blocked from future registration until such time as the official final high school transcript is received by the Office of Admissions.

Lastly, BSU provided the final high school transcript with the official signature for student #6 as required in the program review report.

Final Determination: The Department reviewed BSU's response and verified the supporting documentation for student #6; and did not identify any discrepancies with the student's official final high school transcript.

The Department also reviewed BSU's changes to its admissions policy and determined that the institution has strengthened its admissions process.

BSU must ensure that it follows the changes to its admissions policy to prevent a reoccurrence of this finding. The Department has accepted BSU's response and considers this finding to be closed.

Finding # 4: Failure to Return Unclaimed Title IV Credit Balance Checks within 240 Days

Citation Summary: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the credit balance has occurred. 34 C.F.R. § 668.164(e).

An institution must pay any remaining balance on loan funds by the end of the loan period and any other remaining Title IV, HEA program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165(b)(5)(iii).

Notwithstanding any State law (such as a law that allows funds to escheat to the State), an institution must return to the Secretary, lender, or guaranty agency, any Title IV, HEA program funds, except FWS program funds, that it attempts to disburse directly to a student or parent but the student or parent does not receive or negotiate those funds. For FWS program funds, the institution is required to return only the Federal portion of the payroll disbursement.

If an institution attempts to disburse the funds by check and the check is not cashed, the institution must return the funds no later than 240 days after the date it issued that check. If a check is returned to the institution, or an EFT is rejected, the institution may make

additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. In cases where the institution does not make another attempt, the funds must be returned before the end of this 45 day period. In any case, no later than the 240 days after the date the check is issued, the institution must cease any additional disbursement attempts and immediately return those funds. 34 C.F.R. § 668.164(h).

Noncompliance Summary: BSU failed to return 33 unclaimed Title IV credit balance funds to the Department within 240 days.

Required Action Summary: While the Department was on-site, BSU provided information for the 33 students who had unclaimed credit balance checks. Therefore, the Department did not require any additional information at that time. BSU was instructed to provide any additional information it would like the Department to consider prior to issuing a final determination.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. BSU stated that out of the 33 students identified in the finding, the institution was able to contact 13 students for check reissuance. The institution stated that these 13 students subsequently cashed their checks. For the remaining 20 students, BSU stated the funds were returned to their Title IV source and provided documentation with supporting details regarding the return of funds. Appendix F provides details for the 20 students identified in this finding.

Additionally, BSU stated that as of May 2016, the institution implemented procedures that include a review of all unclaimed credit balance checks for students on a monthly basis by the office of Student Accounts. Once the review is completed, additional attempts will be made to contact the students. If the institution is unable to reach a student, the account will be referred back to the Office of Financial Aid, which will complete a Return to Title IV form to determine if any applicable Title IV funds need to be returned.

Lastly, BSU stated that funds that need to be returned are done so within 240 days, as required by the Department of Education.

Final Determination: The Department reviewed BSU's response and the documentation provided for the 20 students for whom Title IV unclaimed credit balance checks exceeded the 240 day regulatory requirement to return the funds.

The Department determined that BSU maintained \$24,620.68 in Federal Title IV funds that were not claimed by the intended student recipients beyond the 240 day timeframe for the institution to return those unclaimed funds. The Department also verified that the unclaimed funds were returned to the appropriate Title IV programs. Appendix G provides details for the students identified in this finding.

Further, the Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department determined that the cost to the government for the improperly retained Federal Pell Grant funds is \$4.60 and \$490.00 for the improperly retained Direct Loan funds. The results of these calculations, to date, are included as Appendix G.

BSU is required to return the interest charges incurred to the Department. When returning the funds to the Department, BSU must provide the following identification data along with its payment; institution's DUNS number, 9-digit tax identification number (TIN) and the program review control number (PRCN). The total liability to be remitted for this finding is \$494.60. Section E of this letter provides instructions for the repayment of this liability.

Lastly, BSU must continue to follow its revised policy and procedures to ensure that the institution monitors its unclaimed Title IV credit balances on a regular and timely basis.

Finding # 5: Federal Perkins Loan Default Rate Exceeds 15 Percent/Impaired Administrative Capability

Citation Summary: To begin and to continue to participate in any Title IV, HEA program, an institution must demonstrate to the Secretary that the institution is capable of adequately administering that program. 34 C.F.R. § 668.16. The Secretary considers an institution to have that administrative capability if the institution has a cohort default rate on loans made under the Federal Perkins Loan Program to students for attendance at that institution that does not exceed 15 percent. 34 C.F.R. § 668.16 (m)(1)(iii).

Noncompliance Summary: BSU's default rate for the Federal Perkins Loan Program was 36.7 percent for the 2014-2015 award year.

Required Action Summary: BSU was required to implement measures to reduce its Federal Perkins Loan Program default rates and submit any changes to its policies with its response to the program review report.

BSU'S Response: In its December 15, 2016 response, BSU concurred with this finding. The institution submitted an outline of steps that it is taking to reduce its Federal Perkins Loan Program default rates.

BSU also stated that the institution is in the process of making a decision whether to liquidate the Federal Perkins Loan Program within the time line outlined for ending of the Federal Perkins Loan Program.

Additionally, BSU stated that moving forward for the 2017-2018 award year, the institution will target Perkins Loans to junior and senior undergraduate students in accordance with

DCL: GEN- 16-05. This letter states that a school may make Perkins Loans through September 30, 2017, to an eligible current undergraduate student who, on the date of disbursement, has an outstanding balance on a Perkins loan made by the school. The school may make the award if it awarded the student all Direct Subsidized Loan for which the student is eligible.

BSU also noted that DCL GEN – 16-05 states that a school may make Perkins loans through September 30, 2017: (1) to eligible new undergraduates who, on the date of disbursement, do not have an outstanding balance on a Perkins loan; and (2) if the school has awarded the student a Direct Subsidized and Unsubsidized loan for which the student is eligible.

As a result, BSU stated that moving forward for 2017-2018, the institution will utilize this effort as well as the additional steps it outlined, for targeting junior and/or senior undergraduate students who may need the funds.

Final Determination: The Department reviewed BSU's response and determined that the institution took the necessary steps to reduce its Federal Perkins Loan Program default rates and enhance its loan collection process and procedures.

BSU must continue its due diligence efforts to prevent a reoccurrence of this finding. The Department has accepted BSU's response and considers this finding to be closed.

Finding #6: Return to Title IV (R2T4) Calculation Made Late

Citation Summary: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. If the amount of all Title IV assistance the student has earned is less than the amount disbursed to the student, the difference between these amounts must be returned to the Title IV programs. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, the student is eligible to receive a post-withdrawal disbursement of the earned aid that was not received. 34 C.F.R. § 668.22(a).

An institution must return the amount of Title IV funds for which it is responsible 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(j).

Noncompliance Summary: BSU returned unearned Title IV funds late to the appropriate Title IV program for student #16.

Required Action Summary: BSU was required to review its policies and procedures to ensure that unearned funds are returned to the appropriate Title IV program within 45 days of the date of determination that the student withdrew from the institution. BSU

was also required to provide a copy its revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that as a result of this finding, they would follow the steps outlined in the updated procedures to ensure that R2T4 Calculations are made within 45 days.

BSU also stated that a designated member of the Financial Aid staff would review, on a weekly basis, information from a Withdrawal Data Sheet that will be housed in the Office of the Registrar to identify students who required R2T4 Calculations.

Final Determination: The Department reviewed BSU's response and determined that the institution returned \$1,653.00 in unearned Subsidized Direct Loan funds 37 days late to the appropriate Title IV program for student #16.

Further, the Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department has determined that the cost to the government for the late return in Federal Direct Loan funds is \$2.00. The results of that calculation, to date, are included as Appendix H.

BSU is required to return the interest charges incurred to the Department. When returning the funds to the Department, BSU must provide the following identification data along with its payment; institution's DUNS number, 9-digit tax identification number (TIN) and the program review control number (PRCN). The total liability to be remitted for this finding is \$2.00. Section E of this letter provides instructions for the repayment of this liability.

Lastly, the Department reviewed BSU's revised policies and procedures and determined that the institution has strengthened its process for calculating the R2T4 funds. BSU is reminded that it must follow these revised policies and procedures to ensure that R2T4 calculations are performed timely for all students. The Department has accepted BSU's response and considers this finding to be closed.

Finding #7: Return to Title IV (R2T4) Calculation Errors

Citation Summary: When a recipient of Title IV funds 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 assistance that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1).

The percentage of Title IV grant or loan assistance that the student earns is equal to the percentage of the payment period that the student completed as of the student's withdrawal date, if this date occurs on or before completion of 60 percent of the payment

period for a program measured in credit hours or 100 percent if the student's withdrawal date occurs after completion of 60 percent of the payment period for a program measured in credit hours. 34 C.F.R. § 668.22(e)(2). The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of Title IV grant or loan assistance earned by the student. 34 C.F.R. § 668.22(e)(3).

The percentage of the payment period or period of enrollment completed is determined, in the case of a program that is measured in credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date. 34 C.F.R. 668.22(f)(i).

The total number of calendar days in the payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. 34 C.F.R. § 668.22(f)(2)(i).

The unearned amount of title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew. 34 C.F.R. § 668.22(e)(4).

The institution must return the lesser of the total amount of unearned Title IV assistance to be returned as calculated under 34 C.F.R. § 668.22(e)(4) or an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student. 34 C.F.R. 668.22(g)(ii).

If the total amounts of Title IV grant or loan assistance, or both, that the student earned as calculated under this section is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, 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. 34 C.F.R. § 668.22(a)(5). 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 or any loan funds that make up the post-withdrawal disbursement only after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed. 34 C.F.R. § 668.22(a)(6)(ii).

Noncompliance Summary: BSU failed to calculate correctly the R2T4 funds for students who withdrew from the institution during the 2014-2015 and 2015-2016 award years. As a result, BSU failed to return the proper amount of unearned Title IV funds.

In addition, BSU failed to use the correct Amount of Aid Disbursed in Step 1: Student's Title IV Aid Information in its calculation for student #13. A \$2,969.00 Unsubsidized Direct Loan was disbursed to the student's account; however, BSU identified the loan proceeds as \$990.00 on the R2T4 student file worksheet. As a result, BSU failed to return the proper amount of unearned Title IV funds.

Lastly, BSU failed to receive proper confirmation from student #10 prior to making a post-withdrawal disbursement of Unsubsidized Direct Loan funds.

Required Action Summary: BSU was required to conduct a file review of all students who withdrew for the 2014-2015 and 2015-2016 award years and provide a copy of the R2T4 calculation for each student to determine if the R2T4 calculations were correct.

In addition, the institution was required to provide the results of the file review in a spreadsheet in both hard copy and electronic formats in response to the program review report.

Lastly, the institution was required to review its policies and procedures to ensure R2T4 calculations are completed correctly and provide a copy of the revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. BSU stated that the institution conducted a file review of all students who withdrew for the 2014-2015 and 2015-2016 award years using the correct scheduled end date in the calculation.

BSU summarized the results of its file review in a spreadsheet and identified 45 students who withdrew during the 2014-2015 and 2015-2016 award years. Specifically, 22 students withdrew during the 2014-2015 award year and 23 students for the 2015-2016 award years. BSU's file review is included as Appendix I.

BSU also provided its revised policies and procedures to ensure that it will perform all R2T4 calculations accurately.

Final Determination: The Department reviewed BSU's response and the results of the institutions file review. Out of the 45 students who withdrew during the 2014-2015 and 2015-2016 award years, the Department determined that there were nine R2T4 calculation errors where funds should have been included as "Aid that Could Have Been Disbursed." As a result, eight of the calculation errors resulted in students receiving post-withdrawal disbursements of both subsidized and unsubsidized Direct Loan funds. In addition, the institution failed to return all of the Federal Pell Grant funds disbursed for two students.

On September 29, 2017, the Department contacted BSU to determine if the institution received proper confirmation from the eight students prior to making a post-withdrawal disbursement of subsidized and unsubsidized Direct Loan funds. BSU stated that it did not receive the proper confirmation from the eight students prior to making the post-withdrawal disbursements. As a result, BSU made ineligible disbursements of subsidized unsubsidized, and Direct Plus Loans funds for the eight students.

BSU must also return an ineligible disbursement Federal Pell Grant funds for two students.

Based on the Department's review of the R2T4 calculation errors for the nine students, the Department determined that the institution must return \$1,906.25 in Federal Pell Grant funds and \$35,298.00 in Direct Loan Funds to the applicable Title IV programs. The ineligible Title IV funds that need to be returned for these students are identified in Appendix J.

The Department incurs a cost when it makes funds available to an institution as a result of borrowing those funds from the U.S. Treasury and must pay interest charges on those funds. The Department determined that the cost to the government in Federal Pell Grants is \$24.86 and for Federal Direct Loans \$529.00. The results of that calculation, to date, is included as Appendix K.

BSU is required to return the outstanding funds to the Department. When returning the funds to the Department, BSU must provide the following identification data along with its payment; institution's DUNS number, 9-digit tax identification number (TIN) and the program review control number (PRCN).

The following chart provides the specific details for the amounts that must returned for each Title IV program. The total liability to be remitted for this finding is \$37,758.11. Section E of this letter provides instructions for the repayment of this liability.

Outstanding Funds To Be Returned to The Department			
Award Year	Title IV Program	Amount to be Returned	Total
2014-2015	Federal Pell Grant	\$1,730.25	
2015-2016	Federal Pell Grant	\$176.00	
2014-2015	Direct Subsidized Loan	\$4,609.00	
2014-2015	Direct Unsubsidized Loan	\$12,664.00	
2015-2016	Direct Subsidized Loan	\$8,164.00	
2015-2016	Direct Unsubsidized Loan	\$6,989.00	
2015-2016	Direct Plus Loan	\$2,872.00	
Sub Totals		\$37,204.25	
Interest		\$553.86	
Total Liability			\$37,758.11

Additionally, BSU must make the Common Origination and Disbursement (COD) student-level adjustments for both the Federal Pell Grant and Federal Direct Loan Returns for the students identified in Appendix K prior to the repayment of the liability.

Lastly, the Department reviewed BSU's revised policies and procedures and determined that the institution has strengthened its process for performing R2T4 calculations. BSU must ensure that it follows its procedures for monitoring R2T4 calculations to prevent a reoccurrence of this finding.

Finding #8: Credit Balance Made Late

Citation Summary: The funds an institution receives under the Title IV, HEA programs are held in trust for the intended student beneficiaries. Thus, Federal regulations require that whenever the amount of Title IV program funds credited to a student's account exceeds the allowable charges the institution assessed to the student, the institution must pay the resulting credit balance directly to the student or parent, as soon as possible, but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period. If the credit balance occurred from funds paid to a student account before the first day of class, then the credit balance is due no later than 14 days after the first day of class of that payment period. 34 C.F.R. § 668.164(e)(1)(2).

An institution is permitted to hold credit balance funds if it obtains written authorization from a student or parent. Because the Title IV program funds are awarded to students to pay current year charges, notwithstanding any authorization obtained from the student or parent, the institution must pay any remaining balance on loans funds by the end of the loan period and any remaining other Title IV program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165 (b)(iii).

Noncompliance Summary: BSU delivered late a Title IV credit balance to student # 9.

Required Action Summary: BSU was required to review its policies and procedures regarding Title IV credit balances to ensure timely delivery of funds to students. The institution was required to submit a copy of any updated policies and procedures with its response to this program review report.

BSU's Response: In its December 15, 2016 response, BSU did not concur with this finding. The institution reviewed the account for student #9 and the Federal Teach Grant awards that were applied to the student's account on December 11, 2014 and March 4, 2015. BSU's response stated that the credit transactions from the Teach Grant awards were offset by existing charges on the student's account. After the awards were applied, the accumulated charge balance for the student's account was \$243.28 on December 11, 2014

and \$2,984.09 on March 4, 2015. BSU provided a worksheet to document the transaction detail.

Final Determination: The Department reviewed BSU's response and determined that the charges reflected on the account summary statement provided by the Bursar during the program review does not reflect the charges listed on the transaction detail worksheet provided with BSU's response.

As noted in the program review report, the student's account record indicated a Teach Grant disbursement on December 11, 2014 for \$1,982.00, resulting in a credit balance of \$1,982.00 for the Fall 2014 term.

Tuition and fees for Spring 2015 term were \$6,984.00. On March 4, 2015, the student received a second Teach Grant disbursement \$1,982.00 for and a Direct Unsubsidized Loan Disbursement for \$7,420.00, totaling \$9,402.00. These disbursements created a credit balance for \$2,418.00.

Upon the Department's further review of the student's transition detail worksheet, the Department noted a credit balance for \$4,435.91 that was issued to the student, which included the \$1,982.00 credit balance from Fall 2014 term and the \$2,418 credit balance from the Spring 2015. The Department requested confirmation from BSU to support the issuance of the credit balance to the student and further determined that BSU delivered \$1,982.00 of the \$4,435.91, 70 days late. Appendix L reflects the student account record provided during the program review and the transaction detail worksheet provided with BSU's response.

BSU is reminded that it must continue to follow its policies and procedures to prevent a reoccurrence of this finding and to ensure that credit balance checks are issued timely. The Department has accepted BSU's response and considers this finding to be closed.

Finding #9: Improper Origination of Direct Loans – Loan Periods Do Not Match Period of Enrollment

Citation Summary: A school participating in the William D. Ford Direct Loan Program (Direct) shall ensure that any information it provides to the Secretary in connection with loan origination is complete and accurate. 34 C.F.R. § 685.301(a)(1).

The period of enrollment is the period for which a Direct Loan is intended. The period of enrollment must coincide with one or more bona fide academic terms established by an institution for which institutional charges are generally assessed (e.g. a semester, trimester, or quarter in weeks of instructional time; an academic year; or the length of the program of study in weeks of instructional time). The period of enrollment is also referred to as the loan period. 34 C.F.R. § 685.102 (b).

Noncompliance Summary: BSU improperly originated Direct Loans for the 2014-2015 and 2015-2016 award years. Specifically, the loans were originated for a period of enrollment that did not agree with the institution's established academic semesters.

Required Action Summary: BSU was required to revise its policies and procedures to ensure that federal loans are originated for a loan period that coincides with the academic terms established by the institution for which institutional charges were assessed (e.g. the length of the program of study in weeks of instructional time). The institution was required to submit a copy of its revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that it took corrective action to ensure that federal loans are originated for a loan period that coincides with the academic terms that the institution established for the term the institutional charges were assessed.

BSU also submitted a copy of its revised policies and procedures.

Final Determination: The Department reviewed BSU's response and determined that the institution originated Direct Loans for a period of enrollment did not coincide with the institution's established academic semesters for the 2014-2015 and 2015-2016 award years.

BSU must follow its revised policies and procedures to ensure that Direct Loans are originated with the period of enrollment in agreement with the institution's established academic semesters. The Department has accepted BSU's response and considers this finding to be closed.

Finding #10: Failure to Submit Institutional Student Information Report (ISIR) Updates

Citation Summary: An institution must require an applicant whose FAFSA information is selected for verification by the Department, to verify the information specified by the Secretary 34 C.F.R. § 668.54(a)(1).

For each award year the Department publishes in the Federal Register notice the Free Application for Federal Student Aid (FAFSA) information that an institution and an applicant may be required to verify. 34 C.F.R. § 668.56(a).

For each applicant whose FAFSA information is selected for verification by the Secretary, the Secretary specifies the specific information that the applicant must verify. 34 C.F.R. § 668.56(b).

An applicant who is selected for verification of the number of persons in his or her household (household size) or the number of those in the household who are attending postsecondary institutions (number in college) must update those items to be correct as of the date of verification, except when the update is due to a change in his or her marital status. 34 C.F.R. § 668.55(b)(1).

Noncompliance: BSU failed to update and submit changes to the Institutional Student Information Record (ISIR) for student #3 through the Central Processing System (CPS).

Required Action Summary: BSU was required to submit a needs analysis to include the ISIR corrections reflected on the verification worksheet and to submit the needs analysis with its response to the program review report.

BSU was required to revise its policies and procedures to ensure that they are sufficient to prevent a recurrence of this finding. The institution was required to submit a copy of the revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution stated that subsequent to the on-site visit, the institution obtained a corrected verification form for student #3, which confirmed that the number in the household was indeed 4. As a result, the institution did not complete a new needs analysis. On October 2, 2017, BSU provided a copy of the corrected verification form to the Department.

BSU also provided a copy of its revised policies and procedures with its response to the program review report.

Final Determination: The Department reviewed BSU's response and the corrected verification form submitted on October 2, 2017 and determined that the corrected verification form confirms that the household size was 4; therefore, BSU will not be required to submit a new needs analysis.

BSU must follow its revised policies and procedures to ensure that ISIR updates are submitted to CPS. The Department has accepted BSU's response and considers this finding to be closed.

Finding #11: Failure to Notify and Document Exit Counseling

Citation Summary: A school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school. 34 C.F.R. § 685.304(b)(1).

If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials. 34 C.F.R. § 685.304(b)(3).

The school must maintain documentation substantiating the school's compliance for each student borrower. 34 C.F.R. § 685.304(b)(7).

Noncompliance Summary: BSU failed to notify and document exit counseling for students #1, 2, 4, 8, 15, 17, and 18 who had withdrawn from the institution during the 2014-2015 and 2015-2016 award years.

Required Action Summary: BSU was required to conduct a file review of all students who withdrew during the 2014-2015 and 2015-2016 award years to determine if students were sent exit counseling information. If exit counseling information was not sent, the institution was required to provide exit counseling materials and document that this requirement was met.

BSU was also required to review its policies and procedures to ensure that exit counseling materials are sent to all students who withdraw from the institution. BSU was required to submit its updated policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. With its response, BSU submitted the results of its file review. The institution identified 82 students in the 2014-2015 award year and 56 students in the 2015-2016 award years for which the institution had not provided exit counseling. The institution stated that exit counseling information has now been provided for these students.

In addition, BSU provided a copy of its revised policies and procedures with its response to the program review report.

Final Determination: The Department reviewed the results of BSU's file review and the supporting documentation submitted in response to this finding. The Department selected a sample of 50 students to determine the acceptability of the information submitted. The Department did not identify any errors with the information reported in the file review. BSU provided adequate documentation that these students were provided exit counseling information during the file review process.

BSU must follow its revised policies and procedures to ensure that withdrawn students are provided with exit counseling information. The Department has accepted BSU's response and considers this finding to be closed.

Finding #12: National Student Loan Disbursement System (NSLDS) Reported Late, Inaccurate and/or Not Reported

Citation Summary: An institution shall, upon receipt of a Student Status Confirmation Report (SSCR) from the Secretary or a similar report from any guaranty agency, complete and return that report within 30 days of receipt. Unless the institution expects to submit its next SSCR to the Secretary or the guaranty agency within the next 60 days, the institution must notify the Secretary, guaranty agency or the lender within 30 days if:

- The institution discovers that a federal loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis;
- The institution discovers that a federal loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended;
- The institution discovers that a student who is enrolled has changed his or her permanent address. 34 C.F.R. § 685.309(b).

The Higher Education Act of 1965, as amended, (HEA) charges the Department with the creation and maintenance of the NSLDS. The SSCR data submitted by institutions is stored in NSLDS. One of its important functions is to maintain the enrollment status of Title IV student aid recipients. The accuracy of enrollment reporting by schools is critical for many reasons, including ensuring that the obligations and benefits that the HEA provides for Title IV student loan recipients are respected. NSLDS enrollment information is also used by the Department for a variety of other purposes, including tracking interest subsidy payments, budget allocations, and the evaluation of the Title IV programs.

The Department conducted a nationwide analysis of NSLDS enrollment data to evaluate the accuracy of reported enrollment statuses. The Department compared NSLDS information, as reported by, or on behalf of schools, to corresponding information received by the Department's National Center for Education Statistics (NCES). The results of this analysis showed that in a significant number of instances, the enrollment status reported to NSLDS by schools was inaccurate, especially with regard to graduation status. As a result, the Department issued Dear Colleague Letter GEN 12-06 on March 30, 2012 to emphasize the critical nature of accurate reporting.

Noncompliance Summary: BSU failed to report to NSLDS: 1) twelve students that withdrew from the institution; 2) one student had commenced enrollment; 3) accurate withdrawal dates for nine students; and 4) withdrawal dates timely for eleven students.

Required Action Summary: BSU was required to conduct a file review of all students who withdrew during the 2014-2015 and 2015-2016 award years. The institution was required to review the enrollment information reported for each student and update any inaccurate information it identified in NSLDS.

BSU was required to provide the spreadsheet in both electronic and hardcopy formats with its response to this program review report.

Lastly, BSU was required to revise its NSLDS reporting policies and procedures to ensure that it reports enrollment information accurately and timely to NSLDS. The institution was required to submit a copy of the revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. BSU submitted the results of its file review and identified 62 students in the 2014-2015 award year and 58 students in the 2015-2016 award years for which enrollment information was not reported accurately in NSLDS.

BSU also provided a copy of its revised policies and procedures with its response to the program review report.

Final Determination: The Department reviewed the results of the file review and the supporting documentation submitted in response to this finding. The Department selected a sample of 50 students to determine the acceptability of the information submitted. During the testing of the information, the Department identified that the student enrollment information had not been updated in NSLDS.

As a result, BSU must update the enrollment information for the students identified in its file review and submit documentation of the update with its response to this Final Program Review Determination.

BSU must follow its revised policies and procedures to ensure that student enrollment information is reported accurately and timely to NSLDS.

Finding #13: Inaccurate Common Origination and Disbursement (COD) Reporting

Citation Summary: An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with funds received from the Secretary. 34 C.F.R. § 668.164(a).

An institution must provide to the Secretary information about each TEACH Grant recipient that includes the student's eligibility for a TEACH Grant, as determined in accordance with 34 C.F.R. §686.11 and 686.31; the student's TEACH Grant amounts; and the anticipated and actual disbursement date or dates and disbursement amounts of the TEACH Grant funds. 34 C.F.R. § 686.37(a).

The Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the Federal Register, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution. 34 C.F.R. § 686.37(b).

Noncompliance Summary: BSU failed to report accurate disbursement information for student #9.

Required Action Summary: BSU was required to update the disbursement dates in COD for student #9 and provide confirmation of the updates to the Department with its response to the program review report.

In addition, BSU was required to review its policies and procedures to ensure that Federal Teach Grant disbursement dates are reported accurately to COD and to submit a copy of the revised policies and procedures with its response to the program review report.

BSU's Response: In its December 15, 2016 response, BSU concurred with this finding. The institution submitted Common Origination and Disbursement (COD) documentation that the Federal TEACH Grant disbursement dates were revised to reflect the dates posted on the student's account record for Student #9.

In addition, BSU submitted a copy of its revised policies and procedures with its response to the Program Review Report.

Final Determination: The Department reviewed BSU's response and determined that it updated the Federal TEACH Grant disbursement dates in COD to reflect the dates the funds were posted to student #9's account record.

The Department has also reviewed the revised policies and procedures BSU submitted and determined that the institution has strengthened its process for COD reporting. The institution must follow its revised policies and procedures to ensure that it reports Federal TEACH Grant disbursement records accurately to COD. The Department has accepted BSU's response and considers this finding closed.

D. Summary of Liabilities

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

Liabilities	Pell (Closed Award years)	DL/ FFEL (Closed Award Years)	Total
Finding #1	\$10,923.63	\$166,722.47	
Interest/ACA	\$110.53	\$2,208.00	
Sub-total	\$11,034.16	\$168,930.47	
Total- Finding #1			\$179,964.63
Finding #4			
Interest/ACA	\$4.60	\$490.00	
Sub-total	\$4.60	\$490.00	
Total - Finding #4			\$494.60
Finding #6			
Interest/ACA		\$2.00	
Sub-total		\$2.00	
Total - Finding #6			\$2.00
Finding #7	\$1,906.25	\$35,298.00	
Interest/ACA	\$24.86	\$529.00	
Sub-total	\$1,931.11	\$35,827.00	

Total- Finding #7					\$377,585.10
TOTAL - Findings 1,4,6 & 7		\$12,969.87	\$205,249.47		
Payable To:					
Department		\$12,969.87	\$205,249.47	Totals	\$218,219.34

E. Payment Instructions

1. Liabilities Owed to the Department

Bowie State University (BSU) owes the Department **\$218,219.34**. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. BSU must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If BSU's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of \$100,000 or more identified through a program review must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if applicable).

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form.

Finding #1: Inadequate Policy and Procedures for Monitoring Student Status

The total liability for this finding is **\$179,964.63**. The following chart details the Title IV amounts and interest to be returned for each award year:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$5453.25	\$78.64	PELL	2014-2015
\$5470.38	\$31.89	PELL	2015-2016
Total Principal	Total Interest		
\$10,923.63	\$110.53		

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$104,826.28	\$1487.00	2014-2015
\$61,896.19	\$721.00	2015-2016
Total Principal	Total Interest	
\$166,722.47	\$2208.00	

Finding #4: Failure to Return Unclaimed Title IV Credit Balance Checks within 240 Days:

The total liability for this finding is \$494.60. The following charts details the Title IV amounts and interest to be returned for each award year:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$0.00	\$ 4.60	Pell	2014-2015
Total Principal	Total Interest		
\$0.00	\$4.60		

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$0.00	\$473.00	2013-2014
\$0.00	\$17.00	2014-2015
Total Principal	Total Interest	
\$0.00	\$490.00	

Finding #6: Return to Title IV (R2T4) Calculation Made Late

The total liability for this finding is \$2.00 as described below:

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$0.00	\$2.00	2015-2016
Total Principal	Total Interest	
\$0.00	\$2.00	

Finding #7: Return of Title IV (R2T4) Calculation Errors

The total liability for this finding is \$37,758.11. The following chart details the Title IV amounts and Interest to be returned for each award year:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$1730.25	\$ 23.28	Pell	2014-2015
\$176.00	\$1.58	Pell	2015-2016
Total Principal	Total Interest		
\$1906.25	\$24.86		

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$17,273.00	\$390.00	2014-2015
\$18,025.00	\$139.00	2015-2016
Total Principal	Total Interest	
\$35,298.00	\$529.00	

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. BSU is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Debt and Payment Management Group at (202) 245-8080 and ask to speak to BSU's account representative.

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

U.S. Department of Education
OCFO Financial Management Operations
Debt and Payment Management Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, BSU 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 BSU from the Federal Government. **BSU may object to the collection by offset only by challenging the existence or amount of the debt.**

To challenge the debt, BSU 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.

2. Liabilities Owed to the Department in the case of Title IV Grants

The disbursement record for each student identified in the appendices to the applicable finding(s) must be adjusted in the Common Origination and Disbursement (COD) system based on the amount identified in the appendices.

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 FEDWIRE the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Carmen L. Austin at least 15 days prior to the repayment of the liability.

3. Liabilities Owed to the Department in the case of Direct Loans

The disbursement record for each student identified in the appendices to the applicable finding(s) must be adjusted in the Common Origination and Disbursement (COD) system based on the amount identified in the appendices.

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 FEDWIRE, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Carmen L. Austin at least 15 days prior to the repayment of the liability.

Request Extended Processing

COD adjustments are necessary for the closed award year(s) listed above. Before any student level adjustments can be processed, BSU must immediately request extended processing through the COD Website (<http://cod.ed.gov>).

- Click on the Request Post Deadline/Extended Processing link under the School menu.

- On the request screen, the institution should indicate in their explanation that the request is based on a program review, and provide the program review control number.
- The institution will be notified of the status of the request at the time of submission, and will be notified by email to the FAA and President when extended processing has been authorized. At that time, the school must transmit student/borrower level adjustments to COD for the closed award year(s).

F. Appendices

Appendix A-L contain personally identifiable information and will be emailed to BSU as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

DEPARTMENT OF EDUCATION
FEDWIRE EFT MESSAGE FORMAT AND INSTRUCTIONS

021030004 Type/Sub-Type

Sender No.: Sender Ref. No.: Amount

①

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/

TREAS NYC/CTR/
BNF=ED/AC 91020001 OBI=

Name/City/State:

②

DUNS: AGENCY CODE:

③

TIN:

FOR:

④

INSTRUCTIONS:

A. The recipient completes items 1 - 4 above as follows:

① Indicate amount including cents.

② Indicate recipient's institution name, city and state.

③ Indicate the D-U-N-S Number (DUNS) and Taxpayer Identification Number (TIN).

④ Indicate the Grant Award Number, Audit Control Number, Program review Number, and reason for remittance. Provide the Information/words applicable to the reason for the remittance of funds. (See **Appendix G** for a list of reasons for remitting funds).

A. Provide the sending bank with a copy of the above completed form. The above form contains other information the bank will need to transmit the FEDWIRE message.



August 17, 2016

Dr. Mickey L. Burnim
Bowie State University
1400 Jericho Park Road
Bowie MD, 20715-9465

Sent Via: Email & UPS
Tracking: 1ZA879640296614542

RE: **Program Review Report**
OPE ID: 00206200
PRCN: 201620329263

Dear Dr. Burnim:

From February 29, 2016 through March 4, 2016, Ms. Carmen L. Austin and Ms. Jean Brennan conducted a review of Bowie State University's (BSU) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by BSU. The response should include a brief, written narrative for each finding that clearly states BSU's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, BSU must provide supporting documentation as required in each finding.

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

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

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

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division – Philadelphia
The Wanamaker Building, 100 Penn Square East, Suite 511
Philadelphia, PA 19107

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by BSU upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to MS. Carmen L. Austin of this office within 60 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

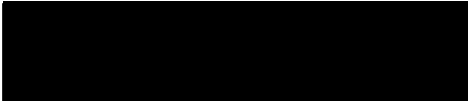
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the 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. In addition, Appendices C and D also contain PII. These appendices were encrypted and sent separately to the institution via e-mail. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

Record Retention:

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Ms. Carmen L. Austin at (215) 656-8582 or carmen.austin@ed.gov.

Sincerely,



John S. Loreng
Compliance Manager

cc: Mr. Arthur Apiyo, Financial Aid Administrator

Enclosure:

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

Prepared for
Bowie State University

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

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID: 00206200
PRCN: 201620329263

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

Program Review Report

August 17, 2016

School Participation Division - Philadelphia
The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia PA 19107
StudentAid.gov

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A. Institutional Information

Bowie State University
 14000 Jericho Park Road
 Bowie, MD 20715

Type: Public

Highest Level of Offering: Master's or Doctor's Degree

Accrediting Agency: Middle States Commission on Higher Education

Current Student Enrollment: 6,187 (2015-2016)

% of Students Receiving Title IV: 72% (2015-2016)

Title IV Participation

2014-2015 Award Year	
Federal Pell Grant	\$10,476,821
Federal Supplemental Educational Opportunity Grant	\$162,218
Federal Teach	\$38,585
Federal Work Study (FWS) Program	\$138,856
Federal Perkins Loan Program	\$63,000
William D. Ford Federal Direct Loan Program	\$34,351,011

Default Rate FFEL/DL: 2011 – 12.8%
 2010 – 8.5%
 2009 – 3.3%

Perkins Rate: 2014 - 36.7%
 2013 – 59.0%
 2012 – 41.7%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bowie State University (BSU) from February 29, 2016 to March 4, 2016. The review was conducted by Ms. Carmen L. Austin and Ms. Jean Brennan.

The focus of the review was to determine BSU's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of BSU'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 2014-2015 and 2015-2016 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

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

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

C. Findings

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

Finding #1: Inadequate Policy and Procedures for Monitoring Student Status

Citation: Federal regulations require that an institution that is not required to take attendance to have alternative procedures to determine that a Title IV aid recipient began attendance in each class during a payment period or period of enrollment. Before disbursing Title IV funds, an institution must first determine that the student is eligible to receive the funds. If the disbursement will occur on or after the first day of classes, the institution must ensure that the student began attendance. The Blue Book, Chapter 14, page 2-94.

The Secretary considers that a student has not begun attendance if the institution is unable to document attendance in any class during the payment period or period of enrollment. 34 C.F.R. § 668.21 (b).

Federal regulations also require an institution to return all Title IV funds disbursed to students who fail to begin attendance. 34 C.F.R. § 668.21. For students that began attendance in some but not all of the classes, the institution is required to recalculate the student's Federal Pell Grant Program award based on the student's actual enrollment status. 34 C.F.R. § 690.80 (b)(ii) Dear Colleague Letter (DCL) Gen-04-03 (Revised) requires an institution to have a procedure for determining whether a Title IV aid recipient who began attendance completed the period or should be treated as a withdrawal. The DCL provides guidance for an institution to make this determination. For instance, if a student earns a passing grade in one or more classes, an institution is permitted to make the presumption that the student completed the course and thus completed the period. If a student who began attendance fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes that the student unofficially withdrew, unless the institution can document that the student completed the program. An institution may use its policy for awarding or reporting final grades to determine whether a student who failed to earn a passing grade in any class completed the period.

For students who unofficially withdrew, the institution must perform a Return of Title IV (R2T4) calculation and follow the procedures in 34 C.F.R. § 668.22 (b) or (c) to determine the student's date of withdrawal.

Noncompliance: BSU failed to have a procedure in place to monitor whether a Title IV aid recipient began attendance during a period, completed the period, or had withdrawn. As a result, institutional officials were unable to determine whether students failed to receive a passing grade in any class in a semester, began attendance, completed their courses, or unofficially withdrew. Additionally, the institution does not have an adequate policy in place to monitor students who received "NG" grades.

An institution's failure to confirm a student's attendance prior to disbursing Title IV funds may result in students receiving funds to which they are not entitled.

Required Action: During the on-site visit, BSU submitted a list to the Department identifying a total of 241 students who received all F grades in the Fall 2014, Spring 2015 and Fall 2015 award year. These students are listed in Appendix C.

The institution also submitted a list to the Department identifying a total of 915 students who received an NG grade in at least one or more of their classes. These students are listed in Appendix D.

BSU is required to review the files of all 241 students identified in Appendix C to determine if those students who received all F grades had earned those grades or had unofficially withdrawn.

In addition, BSU must also review the files of all 915 students identified in Appendix D to determine if those students who received NG grades actually completed the class. Using the guidance set forth in the DCL and within this finding, the institution must provide documentation that the student began attendance in all classes for each semester.

In the event that the institution is unable to document the student's attendance in at least one class, all Title IV funds received by the student may become an institutional liability.

For each student that the institution can document began attendance in some but not all of the classes, the institution must recalculate the student's Federal Pell Grant Program award based on the student's actual enrollment status. The institution will be liable for any Federal Pell Grant overpayments awarded.

For each student that the institution can document began attendance but did not complete at least one course, the institution must treat the student as an unofficial withdrawal. The institution must perform an R2T4 calculation and follow the procedures in 34 C.F.R. § 668.22 (b) or (c) to determine the student's date of withdrawal.

BSU must compile the results of its file review in a spreadsheet, as detailed below. The spreadsheet must be provided in both hardcopy and electronic format. The spreadsheet must contain the following data elements:

1. Student Name;
2. Social Security Number;
3. Award Year from which funds were disbursed;
4. Title IV Aid Disbursed by Program;
5. Documented Student's Attendance in at least one class: Y / N;
6. Documented Student's Attendance in some but not all classes: Y / N;
7. Documented Student Completed at least one class: Y / N;
8. Recalculated Pell Grant Award based on actual enrollment status;
9. Student's Last Date of Attendance;
10. R2T4 Performed Y / N;
11. Date Return Was Made; and
12. Date Return Was Due.

In addition, the institution must submit the following hardcopy documentation:

13. Documentation that the Student Began Attendance;
14. Documentation that the Student Completed the Class;
15. A copy of each student's account statement;
16. A copy of each student's transcript;
17. If applicable, a copy of the R2T4 calculation performed for each student, and supporting documentation of the funds returned.

Further, the institution must establish procedures to monitor a student's status through the end of a semester. The institution must submit a copy of the procedures with its response to the program review report.

Instructions for the repayment of any determined liability amount will be provided in the Final Program Review Determination letter.

Finding #2: Inadequate Policy and Procedures for Monitoring Conditionally Admitted Students

Citation: A student is eligible to receive Title IV, HEA program assistance if the student, among other things, is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution. 34 C.F.R. § 668.32 (a)(1)(i)

Noncompliance: BSU failed to have a procedure in place to monitor students who were admitted on probationary conditions. BSU's admission's policy states that students who are admitted on a probationary basis must meet the following conditions:

- Student must pass developmental English, Reading with a minimum grade of "C" in all courses and a GPA of 2.0 by the end of the year;
- Student must obtain a minimum cumulative GPA of 2.0 and 24 credits by the end of the academic year; and
- For a student who is attending on a part-time basis, you must meet these conditions by time you have earned 24 credits

Upon the successful completion of the required probationary conditions, students are to be reevaluated for admission to determine if the students met these conditions. However, BSU did not have a procedure in place to monitor whether students who were admitted on probationary conditions successfully met the conditions as set forth in the institution's policy.

An institution's failure to follow its own policies is an indicator of impaired administrative capability.

Required Action: During the on-site visit, the Department met with institutional officials to discuss the institution's procedure for monitoring students who were admitted on a conditional basis. According to institutional officials, students who are conditionally admitted must meet with the Academic Advising Center while enrolled and they must maintain a GPA of 2.0 or higher. In addition, institutional officials also stated that all students meet with an advisor to determine what courses need to be taken; however, conditionally admitted students are required to meet more often with an advisor.

The Department also inquired whether or not conditionally admitted students were tracked or monitored separately than regularly admitted students. In response to the Department's inquiry, institutional officials stated that they were not sure how the Registrar and the Academic Advising office track these students. Institutional officials also stated that the Academic Advising office only monitors the students to see that classes are taken and that the Registrar's office notifies the students who do not maintain the required GPA.

As a follow up to the on-site program review, the Department conducted additional interviews via telephone to discuss BSU's procedures for monitoring conditionally admitted students.

On May 10 & 11, 2016, the Department spoke with several institutional officials from the Admissions, Academic Advising, Planning, Accountability and Assessment, and Financial Aid offices to further discuss BSU's policies and procedures for monitoring conditionally admitted students. According to these institutional officials, they agree that BSU does not do an adequate job in capturing and monitoring conditionally admitted students and that BSU needs to strengthen its processes for the monitoring and tracking of these students.

On June 11, 2016, the Department spoke with the Assistant Vice President of Enrollment Management to further discuss BSU's policies and procedures for monitoring conditionally admitted students.

According to the Assistant Vice President, after being employed at the institution for three months, he came across a provisional admitted letter to a student. Knowing that a provisional admit would have an impact on the student's financial aid, he questioned institutional officials to determine whether the students who were provisionally admitted were eligible for financial aid.

Based on the answers to his questions from institutional officials the Assistant Vice President found that at BSU, the students were not treated any differently than an accepted student. The students were admitted into the same programs, took the same placement tests, and attended the same classes, and that all students received the same advisement.

As a follow up to the Assistant Vice President's statement, the Department asked if BSU considers regular admitted and conditionally admitted students as matriculated into an eligible program of study. The Assistant Vice President stated that both groups of students are treated the same and they are both matriculated into an eligible program of study.

Lastly, the Assistant Vice President stated that he spoke to the Director of Financial Aid regarding the need to clarify and update conditional admittance to the institution, as well as, the appropriate recording and coding in its system. As a result, BSU will revise its admission procedures beginning with the 2017-2018 academic year.

The institution must establish procedures to monitor whether students who were admitted on probationary conditions successfully met the conditions as set forth in the institution's policy.