



August 29, 2016

Alex Johnson
President
Cuyahoga Community College
700 Carnegie Avenue
Cleveland, OH 44115- 2878

Certified Mail
Return Receipt Requested
7012 1640 0000 0217 2838

RE: **Final Program Review Determination**
OPE ID: 00304000
PRCN: 2016-2-05-29234

Dear Dr. Johnson:

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Division issued a program review report on March 16, 2016 covering Cuyahoga Community College's (CCC's) 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 2014-15 and 2015-16 award years. CCC's final response was received on June 24, 2016. A copy of the program review report (and related attachments) and CCC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CCC 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 the 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 \$25,431.00.

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

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendix F also contains 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 March 16, 2016 program review report. If CCC 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 CCC receives this FPRD. An original and four copies of the information CCC submits must be attached to the request. The request for an appeal must be sent to:

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

CCC'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.

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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 CCC'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 Clare Barger at 312-730-1595. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Douglas Parrott
Division Director

Enclosure:

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

cc: Angela Johnson, Financial Aid Administrator
Ohio Department of Higher Education
North Central Association of Colleges and Schools (The Higher Learning 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 or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

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

Hard copy files and media containing PII must be:

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

PII data cannot be sent via fax.

Prepared for
Cuyahoga Community College

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

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the AMERICAN MIND™

OPE ID: 00304000
PRCN: 2016-2-05-29234

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

Final Program Review Determination August 29, 2016

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A. Institutional Information

Cuyahoga Community College
700 Carnegie Avenue
Cleveland, OH 44115-2878

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: North Central Association of Colleges and Schools
(The Higher Learning Commission)

Current Student Enrollment (source: IPEDS): 27,084 (2014-15)

% of Students Receiving Title IV (source: IPEDS): 45% (2014-15)

Title IV Participation (source: PCNet):

2014-15

Federal Pell Grant (Pell)	\$47,735,693.00
Federal Supplemental Education Opportunity Grant (FSEOG)	\$801,695.00
Federal Work Study (FWS)	\$712,558.00
Federal Perkins Loan	\$32,755.00
William D. Ford Federal Direct Loan Program (Direct Loan) Subsidized	\$6,491,089.00
Direct Loan Unsubsidized	\$13,538,316.00

Default Rate – Direct Loan (Source: PCNet):	2012: 23.0%
	2011: 26.3%
	2010: 23.0%

Default Rate Perkins (Source: PEPS):	2014: 73.9%
	2013: 100.0%
	2012: 0.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Cuyahoga Community College (CCC) from January 25, 2016 through January 28, 2016. The review was conducted by Clare Barger, Herschel D. Wallace III, and Stephan Oleszczuk.

The focus of the review was to determine CCC's compliance with the statutes and federal regulations as they pertain to students who completely withdrew from the institution. The review consisted of an examination of CCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

A sample of 30 files was identified for review from the 2014-15 and 2015-16 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 social security numbers of the students whose files were examined during the program review. A program review report was issued on March 16, 2016.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings 5 and 6

CCC has taken the corrective actions necessary to resolve Findings 5 and 6 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by CCC are discussed below.

Resolved Findings with Comments

The following program review finding has been resolved by the institution and may be considered closed. The finding is included solely for the purpose of discussing resolution of the finding.

Finding 3: Return of Title IV (R2T4) Funds Made Late

Citation Summary: As required by 34 C.F.R. § 668.22(j), an institution must return the amount of Title IV funds for which it is responsible under 34 C.F.R. §668.22(g) as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

Noncompliance Summary: CCC did not return funds identified in the R2T4 calculation within 45 days for student #28.

Required Action Summary: CCC was mandated to revise its R2T4 procedures to ensure that refunds are processed within 45 days and provide a copy of the updated procedures with its response to the program review report. Further, CCC was notified that it will be liable for any interest costs associated with this late return.

CCC's Response Summary: In its response dated May 20, 2016 (see Appendix C), CCC indicated that it concurred with this finding and provided revised R2T4 procedures, as instructed in the program review report.

The institution explained that it has an exception reporting process to identify R2T4 calculations that have not been completed with 30 days and this report ensures that all funds identified are returned within 45 days. As a result, CCC believes this finding to be an isolated incident. The institution also affirmed that it will continue to quality check its exception reporting process to ensure timely return of Title IV aid to the Department.

CCC added that only one (1) of the thirty (30) student files with R2T4 calculations reviewed by the Department was determined to have a late return of Title IV funds and

that this is not evidence of a systemic error. Consequently, CCC asserted that the finding should be considered immaterial and requested that the Department remove this finding.

Final Determination: The Department reviewed CCC's R2T4 written policies and procedure and concluded that it is sufficient.

An institution that does not return Title IV funds to the appropriate programs in the designated timeframe is in violation of 34 C.F.R § 668.22(j) and has improperly retained federal funds to which it was not entitled. CCC's improper retention of federal funds represents a financial loss to the federal programs for which the institution is liable. The Department extrapolated the interest costs associated with this finding to be *de minimus*; as such, no liability for this finding will be established at this time.

Although only one (1) instance of this type of violation was detected by the review team, all areas of noncompliance determined by the program review are addressed by the Department in the program review report and in this final program review determination. To this regard, the Department does not consider any evidence of noncompliance to be immaterial.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of CCC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on March 16, 2016 is attached as Appendix B.

Finding 1: Satisfactory Academic Progress (SAP) Policy Not Adequately Developed/Monitored

Citation Summary: 34 C.F.R. §§ 668.16(e) and 668.34 explain that institutions are required to have a satisfactory academic progress (SAP) policy for purposes of determining student eligibility for assistance under a Title IV, HEA program.

Noncompliance Summary: For three (3) students (#3, #14, and #31), courses in which the student began attendance were removed from the student's academic transcript; thus, were not correctly considered as part of CCC's SAP evaluations.

Required Action Summary: CCC was instructed to develop a comprehensive SAP policy and provide a copy of said policy with its response to the program review report. Further, the institution was mandated to complete a full file review of the student population potentially impacted by this noncompliance and provide a spreadsheet with specific data explained in the program review report.¹ CCC was also notified that it will be liable for interest costs associated with any ineligible disbursements.²

CCC's Response Summary: In its responses dated May 20, 2016 and June 24, 2016 (see Appendices C and D, respectively), CCC indicated that it concurred with the Department's findings for students #3 and #14, but disagreed with the Department's finding for student #31.

The institution explained that its Withdrawal Exception Petition policy allows a student to withdraw from a term retroactively, due to extenuating circumstances; thus, results in all academic history being removed from said term. In addition, CCC noted that when a student requests this exception her/his remaining aid eligibility is determined based on the results of the R2T4 calculation. Moreover, the institution stated that it has updated its policies to indicate that all students who have withdrawn from all courses with no academic record will have all Title IV aid returned to the Department; therefore, would not be required to evaluate SAP when all funds are returned.

¹ From said data, the Department would then select a sample of students, in which further documentation would be required.

² The institution was also offered a Liability Projection Option, to which it declined.

CCC added that due to the low threshold of errors identified in the finding, it reiterates that the noncompliance was not systemic and stated that the finding should only be included for informational purposes.

Finally, CCC provided the required documentation required in the program review report for the full file review.³

Final Determination: Upon receipt of the full file review information, the Department utilized a statistical methodology to select a sample of students from the file review population and subsequently requested supporting documentation.⁴ CCC submitted the supporting documentation and upon its review of said documentation, the Department concluded the file review data may be considered accurate. The data indicated that for both the 2014-15 and 2015-16 award years, five (5) additional students⁵ subsequently received ineligible Title IV aid disbursements (as these students were ineligible due to being in a SAP suspension status).⁶ The remaining students in the file review population had not re-enrolled or were accurately placed on a SAP suspension status; therefore, did not receive subsequent Title IV, HEA aid disbursements.

The Department also reviewed CCC's revised policies and procedures submitted in response to the program review report. Although there is no regulatory requirement for an institution to include courses in which a student has petitioned for removal – in accordance with institutional policies – from her/his academic transcript, CCC is reminded that all courses in which a student began attendance must be considered for SAP evaluation purposes and are subject to the applicable R2T4 calculation and timeframe regulations. To this end, the Department cautions CCC to remain mindful of these requirements and instructs the institution to further revise its SAP procedures to ensure both comprehensiveness and accuracy.⁷

As explained in the program review report, CCC is liable for costs associated with any ineligible disbursements.⁸

³ For details on the documentation required for the full file review, please refer to this finding in the program review report (see Appendix B).

⁴ From the statistical sample, thirty-eight (38) students from the 2014-15 award year and twenty (20) students from the 2015-16 award year were selected for review.

⁵ Although reviewed during the on-site portion of the program review, Student #3 was additionally included in the file review (while #14 was not).

⁶ See Appendix E. Please note that student information has been omitted from this appendix and replaced with identification numbers. Student information corresponding to the assigned identification numbers is included in Appendix F.

⁷ Likewise, in order to make certain all course are included in SAP evaluations, CCC may wish to consider developing a "financial aid transcript" separate from the student's official academic transcript that can include all elements related to financial aid eligibility.

⁸ Liabilities were assessed for students #3, #14, and the five (5) students detected in the full file review. It should be noted that the Department reviewed the additional information submitted for student #31 and concluded that the student did complete one course during the spring, 2015 term; furthermore, the student did not return to CCC in any subsequent terms and therefore, had no additional Title IV aid disbursements.

The total amount of Direct Loan that CCC improperly disbursed during the 2014-15 and 2015-16 award years for this finding is \$18,823.00.⁹ However, in lieu of requiring the institution to assume the risk of default by purchasing the ineligible loans from the Department or asserting a liability for the entire loan amount, the Department has asserted a liability for the estimated actual loss (EAL) that the government may incur with respect to the ineligible loans. The estimated actual loss is calculated based on the relationship between CCC's cohort default rate and the sector cohort default rate. As a result, the estimated actual loss that CCC must pay to the Department for these ineligible loans is \$403.76. Appendix G contains the results of the calculation of the EAL.¹⁰

The total amount of liabilities (principal and interest) owed as a result of this finding are summarized below (see Appendices G and H for details of the liability assessment):

Federal Pell Grant – Principal	\$24,518.00
Federal Pell Grant – Interest	\$104.23
FSEOG – Principal	\$400.00
FSEOG – Interest	\$0.97
<u>Direct Loan EAL</u>	<u>\$403.76</u>
TOTAL	\$25,426.96

Payment instructions are provided in Part E.

While only seven (7) total instances of this type of violation were detected, extraneous to the error threshold, all areas of noncompliance determined by the program review are addressed by the Department in the program review report and in this final program review determination.

⁹ \$10,812.00 subsidized and \$8,011.00 unsubsidized.

¹⁰ Please note that student #37 is only included in the Direct Loan Estimated Actual Loss calculation, as the only ineligible Title IV aid disbursed to her/him were Direct Loans.

Finding 2: Return of Title IV (R2T4) Calculation Errors

Citation Summary: Pursuant to 34 C.F.R. § 668.22(a), when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period 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.

In accordance with 34 C.F.R § 668.22(g)(2): "institutional charges" are tuition, fees, room and board and other educationally-related expenses assessed by the institution. Further, as explained in Volume 5, Chapter 1 of the 2015-16 Federal Student Aid (FSA) Handbook, "Noninstitutional charges (not included in a Return calculation) include charges for any required course materials that a school can document a student had a real and reasonable opportunity to purchase elsewhere."

Noncompliance Summary: CCC failed to accurately complete R2T4 calculations for seventeen (17) students. In all cases, the institution utilized the incorrect amount of total institutional charges for the payment period in its R2T4 calculations, which resulted in over-returns of Title IV aid to the Department.

Required Action Summary: CCC was instructed to develop and submit policies and procedures which will ensure that all required R2T4 calculations are completed accurately and in accordance with Title IV regulations. The institution was also notified that its failure to accurately complete the R2T4 calculations did not result in any financial harm to the Department.

CCC's Response Summary: In its response dated May 20, 2016 (see Appendix C), CCC stated that it disagrees with the Department's finding. The response further explains:

"[CCC] issues book vouchers to eligible financial aid students, seven days before each term. The book vouchers function as a non-interest bearing line of credit, which students may use only at the College bookstore to purchase required books and supplies in all subject areas....The book voucher is an electronic book line of credit, which allows students to charges books and supplies to their student account. This is an interest-free book voucher that can only be used in the College bookstore."

In addition, CCC cited DCL GEN-12-21, which discusses the usage of bookstore vouchers as well as 34 C.F.R. 668.164(i) and Volume 4, Chapter 2 of the 2015-16 FSA Handbook (p. 4-47), which discuss availability of Federal Pell Grant funds to purchase books and supplies.

Final Determination: The Department has reviewed CCC's response to the finding and maintains that students at the institution have a real and reasonable opportunity to purchase their books and supplies outside of the institution; consequently, these charges

may not be included in the R2T4 calculation. For instance, a student has the choice to obtain her/his books through an online retailer and once her/his Title IV aid is disbursed, the credit balance refund would then reimburse the student for these costs.¹¹ Therefore, the policies and procedures submitted by CCC in response to the program review report do not adequately ensure that all required R2T4 calculations are completed accurately and in accordance with Title IV regulations and therefore are required to be amended further.

Nevertheless, as explained in the program review report, CCC's failure to accurately complete the R2T4 calculations described in this finding did not result in any financial harm to the Department (as all of the calculations resulted in over-returns of Title IV aid); as a result, there are no liabilities established in this finding.

¹¹ Books and supplies in which the student does not have a real and reasonable opportunity to obtain outside of the institution are typically those in which said books and/or supplies are unavailable to the student outside of the institution (for example, school-specific kits for cosmetology programs or stenography equipment for court reporting programs in which the student is only permitted to purchase through the institution).

Finding 4: Improper Award – Direct Loan Not Prorated

Citation Summary: 34 C.F.R. § 685.203(a)(2)(ii) states that in the case of an undergraduate student who has successfully completed the first year of an undergraduate program but has not successfully completed the second year of the program, the total amount the student may borrow for an academic program of study with less than a full academic year remaining, is an amount that is the same ratio to \$4,500 as the number of semester hours enrolled divided by the number of semester hours in an academic year.

34 C.F.R. § 685.203(c)(2)(ii)(B) states that in the case of an undergraduate student who has successfully completed the first year of a program of an undergraduate program but has not successfully completed the second year of the program the additional amount that a student may borrow under the Direct Unsubsidized Loan Program for any academic year of study may not exceed an amount that is the same ratio to \$6,000 as the number of semester hours enrolled divided by the number of semester in an academic year.

Noncompliance Summary: CCC failed to prorate loans for student #21.

Required Action Summary: CCC was required to establish written policies and procedures to ensure that it awards the proper amount of Federal Direct Loans to its students and was to provide a copy of said procedures in response to the program report. In addition, if it had not yet done so, CCC was instructed to return the over-awarded funds to the Department and provide corroboration that said funds were returned. Finally, CCC was notified that it would be liable for interest costs associated with this ineligible disbursement.

CCC's Response Summary: In its response dated May 20, 2016 (see Appendix C), CCC indicated that it concurred with this finding and provided the required policies and procedures, as instructed in the program review report.

The institution explained that it prorated the student #21's Direct Loans based on planned enrollment; however, as the student made several enrollment changes throughout the term, his/her loans were not prorated to reflect his/her final enrollment. The institution noted that the loans were correctly recalculated and the over-awarded funds were returned on April, 21, 2016.

CCC added that only one (1) of the thirty (30) student files reviewed by the Department was determined to have an incorrect proration and that this is not evidence of a systemic error. Consequently, CCC asserted that the finding should be considered immaterial and requested that the Department remove this finding.

Final Determination: The Department reviewed CCC's revised Direct Loan policies and procedures concluded that they are sufficient. Additionally, Departmental systems and

documentation from the institution confirm that the funds over-awarded to student #21 have been returned.

An institution that does not correctly prorate Direct Loans is in violation of 34 C.F.R. § 685.203 and may improperly retain federal funds to which it is not entitled. CCC's improper retention of federal funds represents a financial loss to the federal programs for which the institution is liable.

The total amount of liabilities (interest) owed as a result of this finding are summarized below (see Appendix I for details of the liability assessment):

<u>Direct Loan – Interest</u>	<u>\$4.00</u>
Total	\$4.00

Although only one (1) instance of this type of violation was detected by the review team, all areas of noncompliance determined by the program review are addressed by the Department in the program review report and in this final program review determination. To this regard, the Department does not consider any evidence of noncompliance to be immaterial.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows:¹²

Established Liabilities							
Liabilities	Pell Principal	Pell Interest	FSEOG Principal	FSEOG Interest	DL Interest	DL EAL	Total
Finding 1	\$24,518.00	\$104.23	\$400.00	\$0.97	--	\$403.76	\$25,426.96
Finding 4	--	--	--	--	\$4.00	--	\$4.00
Total	\$24,518.00	\$104.23	\$400.00	\$0.97	\$4.00	\$403.76	\$25,430.96
Payable To:							
Department via check (Rounded)	\$24,518.00	\$104.00	--	\$1.00	\$4.00	\$404.00	\$25,031.00
Department via FISAP Adjustments (Rounded)	--	--	\$400.00	--	--	--	\$400.00
Total (Rounded)	\$24,518.00	\$104.00	\$400.00	\$1.00	\$4.00	\$404.00	\$25,431.00

¹² Interest charges in the liability determinations are calculated using the applicable Current Value Funds Rate (CVFR) published in the Federal Register by the U.S. Department of the Treasury.

E. Payment Instructions

Section I – Liabilities Owed to the Department

CCC owes to the Department **\$25,031.00**.¹³ Payment must be made by forwarding a check made payable to the “U.S. Department of Education” to the following address within 45 days of the date of this letter:

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

Remit checks only. Do not send correspondence to this address.

If the check is sent special delivery (signature/receipt required), the check must be sent to the following address:

U.S. Bank
1005 Convention Plaza
St. Louis, MO 63101
Attn: Govt. Lockbox Tram MO-SL-C2GL
Re: For Dept. of Ed. 979026

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, CCC must first make any required adjustments in COD as required by the applicable findings and in 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.

The following identification data must be provided with the payment:

Amount:	\$25,031.00
DUNS:	068907765
TIN:	340896630
PRCN:	2016-2-05-29234

¹³ The remaining \$400.00 of the total liability will be paid through the FISAP adjustment process (see Section IIC below).

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. CCC 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 CCC'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. 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, CCC 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 by CCC from the Federal Government. **CCC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, CCC 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.

Section II – Instructions by Title IV, HEA Program

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

Direct Loan Interest:

Finding: 4

Appendix: I

CCC must repay the following Direct Loan liabilities:

DL Interest	
Amount	Award Year
\$4.00	2015-16
Total Interest	
\$4.00	

The interest will be applied to the general Direct Loan fund. This amount is also reflected in the total amount owed to the Department in Section I above.

Direct Loan Estimated Actual Loss:

Finding: 1

Appendix: G

DL Estimated Actual Loss	
Amount	Award Year
\$64.68	2014-15
\$339.08	2015-16
Total	
\$403.76	
Total (rounded)	
\$404.00	

CCC must pay the Direct Loan estimated loss liabilities for the award years reflected above. The liabilities will be applied to the general Direct Loan fund. This amount is also reflected in the total amount owed to the Department in Section I above.

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

Federal Pell Grant – Closed Award Year:

Finding: 1

Appendix: H

CCC must repay:

Federal Pell Grant		
Amount (Principal)	Amount (Interest)	Award Year
\$5,903.00	\$54.56	2014-15
\$18,615.00	\$49.67	2015-16
Total Principal	Total Interest	
\$24,518.00	\$104.23	
Total Principal	Total Interest (rounded)	
\$24,518.00	\$104.00	

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

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

The interest will be applied to the general program account. This amount is also reflected in the total amount owed to the Department in Section I above.

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

FSEOG interest owed to the Department

Finding: 1

Appendix: H

CCC must repay:

FSEOG	
Amount (Interest)	Award Year
\$0.97	2015-16
Total Interest	
\$0.97	
Total Interest (rounded)	
\$1.00	

FSEOG interest as a result of this finding will be returned to the general program fund.

IIC. Liabilities Paid to the Department through FISAP Adjustment Process

FSEOG Principal:

Finding: 1

Appendix: H

CCC must return \$400.00 in FSEOG funds utilizing the FISAP adjustment process.

Depending on the results of the FISAP adjustment process, CCC may be required to return some or all of the liability via G5 in accordance with the instructions below:

CCC must make corrections to its FISAP for the 2015-16 award year as follows:

- Log into eCB and make changes to the Working Copy, click on Submit and choose “Change Request.” Provide the justification for the changes in the comments box, including that the changes are a result of a program review and include the Program Review Control Number (2016-2-05-29234).
- Once the request is approved, submit the changes within 5 days. **Prior to submitting the change, CCC should contact eCB Call Center at (877) 801-7168 to confirm that the FISAP changes are correct** (changes to this FISAP may result in changes to subsequent FISAPs. The eCB Call Center will assist in making this determination as well).
- If the recalculation of the school’s funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, **return those funds via G5 in accordance with the automated notification from eCB.** If the school has not drawn down its full authorization, the authorization will be reduced.

CCC must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation to Mark Kreutzer within 45 days of the date of this letter.

F. Appendices

Appendices A and F contain personally identifiable information and will be emailed to CCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip files will be sent in a separate email.

Appendices B, C, D, E, G, H, and I, are attached to this report.¹⁴

¹⁴ Please note that the Department redacted student Personally Identifiable Information contained in Appendices C and D.