



SEP 28 2018

Thomas Eastwick
President
Eastwick College
250 Moore Street
Hackensack, NJ 07601

Certified Mail
Return Receipt Requested
#7006 2760 0002 1734 4463

RE: **Final Program Review Determination**
OPE ID: 012462
PRCN: 201440228751

Dear Mr. Eastwick:

The U.S. Department of Education's (Department's) School Participation Team - New York-Boston issued a program review report on January 27, 2017 covering Eastwick College's (Eastwick'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 2012-2013 and 2013-2014 award years. Eastwick's final response was received on April 28, 2017. A copy of the program review report (and related attachments) and Eastwick's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Eastwick 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, (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$1,564.63.

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

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division - New York-Boston
830 First St. Washington, DC 20202
StudentAid.gov

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.

Appeal Procedures:

If Eastwick elects to appeal to the Secretary of Education for a review of the financial liabilities established by this FPRD, the institution must file a written request for a hearing. Please note that institutions may appeal financial liabilities only. The Department must receive Eastwick's request no later than 45 calendar days from the date Eastwick receives this FPRD. The Department requests that Eastwick submit an original and four copies of its complete request for review. The request must be sent to:

Attn: Susan Crim, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/Enforcement
830 First Street, NE UCP3, Room 84F2
Washington, DC 20002-8019

Eastwick'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; and
- (3) include a copy of the FPRD received by the school.

When it submits its request for appeal, the institution may also include documentation it believes the Department should consider in support of the appeal. If such documentation is submitted, please provide one copy on an electronic format, preferably as a PDF, such as on a flash drive. Please provide the additional copies in hard copy format.

If any appeal documents include personally identifiable information (PII), the PII must be redacted, except for the student's name and last four digits of his/her social security number (please see the enclosed document, "Protection of Personally Identifiable Information," for instructions on how to mail records containing PII).

If the institution's appeal is timely, the request for appeal will be transmitted to the Department's Office of Hearings and Appeals (OHA), for an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The Hearing Official assigned to the case will issue an order scheduling the submission of briefs and supporting evidence in accordance with 34 C.F.R. § 668.114(c). The institution may therefore submit additional documentation supporting its appeal request at that time. Further, if the institution is appealing a projected liability amount, it may provide detailed liability information from a complete file review, either at the time it initially submits its appeal request or pursuant to the proceedings at OHA. The procedures followed with respect to Eastwick's appeal are those provided at 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 Sherry Blackman at 202-377-3873. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Betty Coughlin
Division Director

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

cc: Enrique Perero, Financial Aid Administrator
New Jersey Secretary of Higher Education
Accrediting Council for Independent Colleges and Schools
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

Eastwick College

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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OPE ID 01246200
PRCN 201440228751

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division – New York/Boston

Final Program Review Determination

SEP 28 2018

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A. Institutional Information

Eastwick College – Hackensack Campus
250 Moore Street
Hackensack, NJ 07601

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Accrediting Council for Independent Schools and Colleges

Student Enrollment: 354 (2013/2014)

Percentage of Students Receiving Title IV: 90% (2013/2014)

Title IV Participation (from Postsecondary Education Participants System (PEPS) :

	2016-2017
Federal Pell Grant Program (Pell)	\$1,525,242
William D. Ford Federal Direct Loan Program	\$3,174,036

Default Rate DL:	2014	6.6%
	2013	5.4%
	2012	5.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Eastwick College (Eastwick) from July 14, 2014 to July 18, 2014. The review was conducted by Gloria Green and Brenee Johnson.

The focus of the review was to determine Eastwick's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review consisted of, but was not limited to, an examination of Eastwick's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers and fiscal records.

A sample of 32 files was identified for review from the 2012/2013 and 2013/2014 (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 Eastwick'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 Eastwick 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 2, 3, 4, 5, 6, and 7

Eastwick has taken the corrective actions necessary to resolve findings 2, 3, 4, 5, 6 and 7 of the program review report, as discussed below. Therefore, these findings may be considered closed. All findings were addressed in Eastwick's response dated April 28, 2017. See **Appendix C-1**. Findings requiring further action by Eastwick in the following section.

Finding 2: Improper Loan Certification

In the program review report issued January 27, 2017, reviewers identified Improper Loan Certifications for students 2, 6, and 23.

Student 2 was enrolled less than half-time during the August 2013 term. Eastwick disbursed a subsidized loan in the amount of \$1,156.00 and an unsubsidized loan in the amount of \$190.00, which the student was ineligible to receive. Eastwick returned the funds to the Department immediately prior to the program review, July 3, 2014.

Student 6 requested an increase in her subsidized loan eligibility due to a grade level change. Eastwick increased the student's subsidized loan from \$3,500.00 to \$4,500.00 within the same academic year. The Reviewers stated that Eastwick should have created a new subsidized loan at Grade Level 2 to coincide with the second disbursement period.

Student 23 was granted a Leave of Absence (LOA) from October 28, 2013 to January 27, 2014. Upon the student's return, Eastwick failed to modify the period of his loan to reflect the period of the student's LOA.

Eastwick was required to provide the Department with detailed procedures to ensure adjustments made to loans are certified correctly.

In its April 28, 2017 response to the PRR, Eastwick explains that Student 2 was enrolled less-than half-time for the August term; however, the student returned to at least half-time in October 2013 which made the student eligible for the November 19, 2013 disbursement. Eastwick acknowledges the ineligible disbursement and returned the loan funds to the Department July 3, 2014, prior to the Program Review.

With respect to Student 6, Eastwick references the Federal Student Aid Handbook that states that a school may process the increased loan amount as an adjustment to the existing loan as opposed to creating a new loan origination.

In regards to Student 23, Eastwick states that the institution's procedures provide that loan periods and annual loan limits are determined using a BBAY 1 methodology. The servicer and the institution confirm that the student is eligible to receive federal disbursements for each payment period. Guidance by the Federal Student Aid Handbook and in the Dear Colleague Letter GEN 13-13 is followed in relation to updating loan information required by the 150% subsidized loan limitation provisions.

Eastwick has taken corrective actions necessary to resolve Finding 2.

Finding 3: Inadequate FSEOG Selection Policy

In the program review report issued January 27, 2017, reviewers identified that Eastwick failed to implement their FSEOG policy as it relates to students in the 2012-2013 award year's student sample. As stated in Eastwick's policy, "priority is given to the students with the zero Expected Family Contributions who are PELL eligible with special

circumstances as determined by the financial aid officer." FSEOG awarded to recipients in the 2012-2013 student sample, indicates nearly all zero EFC students. Students with EFCs from 1 – 839, were also awarded FSEOG. However, the fact that 7 students in the 2012-2013 sample with zero EFCs did not receive an FSEOG award contradicts what the Department was told by Eastwick staff and Eastwick's policy.

Eastwick was required to provide the Department with a detailed policy outlining how FSEOG funds are awarded to Eastwick students.

In its April 28, 2017 response to the PRR, Eastwick provided a detailed policy clarifying the institution's selection process when awarding students FSEOG.

Eastwick has taken corrective actions necessary to resolve Finding 3.

Finding 4. Satisfactory Academic Progress (SAP) Policy Not Adequately Monitored

While Eastwick published an SAP policy, they have not adequately demonstrated they have monitored the progress of each Title IV recipient. The review team found no written affirmation that the SAP status of each Title IV recipient was reviewed, and that Eastwick determined if each Title IV recipient was making SAP at the conclusion of a payment period before they made subsequent Title IV disbursements. In the absence of any SAP documentation, the review team carefully examined each student's transcript to make a determination of the student's SAP status and identified SAP issues with students 8, 9, 10 and 11.

The number of transcripts in the sample containing transfer credits from one Eastwick program to another Eastwick program, or even from one Eastwick campus to another Eastwick campus, again brings the adequacy of Eastwick's SAP evaluations and student advisement process into question. The fact that many Eastwick programs are in the medical field and therefore share common learning objectives, encouraging a student to transfer from one program to another may not be in the students' best interests. The difficulties a student encounters in one program may likely be underscored once again when they enroll in a similar program.

Eastwick was required to immediately begin documenting each Title IV recipient's SAP status prior to each Title IV disbursement after the first disbursement. A copy of these new procedures and any forms included used in the evaluation had to be provided to the Department.

In addition, Eastwick had to provide a narrative explanation of the SAP status of each student noted in this finding during their entire enrollment at Eastwick. For each student not making SAP, Eastwick had to include a copy of their account ledger highlighting any and all ineligible Title IV disbursements.

In its April 28, 2017 response, Eastwick provided the account ledgers for all students listed in this finding.

In regards to Student 8, Eastwick agrees that the student did not meet requirements for satisfactory academic progress after completing her first term in April 2012. Student 8 remained enrolled for the next term but was placed on FA warning for the July 2012 term. After that term her CGPA remained below 2.00 and she was placed on academic probation for the October 2012 term. Both letters are documented in her file. The student received aid for the April and August terms only. As stated in Finding 5, student 8 elected to withdraw instead of submitting an appeal.

Student 9 met SAP requirements during her enrollment at Eastwick. The 67% component is based on cumulative measure, in which case during the December 2012 term she completed 12 out of 16 overall credits (more than 67% completed). Student 9 failed two courses (but maintained SAP) and was allowed to move forward due to MA125A & MA136A not being offered until September 2013.

Student 9 received a drop letter in September 2013 due to her being at the end of her program with failing grades. Report cards are stamped each term notifying the student that she will not be eligible to graduate with an 'F' on her final transcript. She did not register for the retakes.

Student 10 successfully completed 67% of all credits attempted; however, due to her cumulative GPA being under 2.5, she did not meet the requirements for satisfactory academic progress after the January 2012 term. Student 10 was informed that she was being placed on financial aid warning as validated by the letter in the students' file dated April 30, 2012. Student 10 successfully completed the next term and regained eligibility for the October 2012 term.

Eastwick states that Student 11 met requirements for satisfactory academic progress and completed more than 67% of all credits attempted. Eastwick maintains that the student did not fall below a 2.00. Student 10 was allowed to move on with failing grades because the modular system classes weren't available each term. Report cards were stamped for each term notifying the student that she will not be eligible to graduate with an 'F' on her final transcript. She did not register for the retakes.

Eastwick also explains that students often begin in one program, graduate and decided to further their education and remain at Eastwick. For that reason, transfer credits between programs and campuses are granted. Eastwick follows its transfer credit policy. Eastwick allows students to transfer to a different program to encourage its students to successfully complete a program. Eastwick has taken corrective actions necessary to resolve Finding 4.

Finding 5: Return to Title IV (R2T4) Calculation Errors

The Department identified the following R2T4 issues:

Student 8 withdrew on December 5, 2012 with a Refund Calculation Worksheet in her file stating No Aid Received. The fact that Eastwick's ledger does not attribute Title IV payments to a specific term made it difficult to determine the accuracy of the statement. Student 8's record in COD confirms her second 2012/2013 second Pell disbursement was never made. Given Student 8's questionable SAP status as noted above in Finding 4, the question arises as to why no additional aid was credited to her account resulting in the absence of an R2T4 calculation.

Student 19's R2T4 worksheet revealed that Eastwick failed to round the percentage of the term completed to the nearest tenth of a percent. In addition, the amounts of Direct Subsidized and Unsubsidized Loans disbursed (\$1732/ \$2968) on her account ledger were reduced to \$1386 and \$2374 when the calculation was performed. Lastly, the Refund Calculation Worksheet in the file resulted in a \$4023 refund to the Direct Loan program yet Eastwick returned \$4671 on December 27, 2013.

Student 31 officially withdrew from Eastwick after completing the first term of her program on May 1, 2014. The second disbursements were made regardless of the fact the student never commenced attendance in the term. In addition, it was not until May 30, 2014 that Eastwick returned all of her second term disbursements to the Department.

Eastwick was required to provide a copy of Student 8's attendance records (faculty class roster(s)) as well as explain why Student 8 did not receive any aid for her third term of enrollment. The institution was also required to provide the Department with an explanation for the amounts used in Student 19's R2T4 calculation and/or a revised R2T4 worksheet. Lastly, Eastwick had to submit copies of revised policies and procedures for verifying eligibility prior to disbursing Title IV funds.

In its April 28, 2017 response, Eastwick provided Student 8's attendance records showing that the student was not making SAP after their first term, having earned a 0.43 GPA in April 2012. At the beginning of the next semester, October 2012, the student's GPA remained below a 2.0. The student was placed on Financial Aid Warning and elected to withdraw from the institution instead of submitting an appeal. The institution did not include financial aid information in the R2T4 due to the fact that the school did not award aid to the student at the time the student withdrew.

It was determined that Student 19's R2T4 calculation resulted in a refund to Direct Loans in the amount of \$4,671.00 as opposed to the original amount of \$4,023.00. This adjustment was due to an over-award that was corrected when learning that the student was enrolled in a short-term program.

The R2T4 calculation for **Student 31** did not include the student's second disbursement because the student did not attend the second term. The Pell funds for the second term were inadvertently requested prior to the student's withdrawal. The school returned the funds within 9 days of receipt.

Eastwick submitted student **8's** attendance record and an explanation of why the student did not receive aid for the 3rd term. Eastwick also submitted an explanation for the adjustments made to student **19's** account ledger and R2T4 in regards to the subsidized and unsubsidized loan a copy of its revised policies and procedures for verifying a student's eligibility prior to disbursing Title IV funds.

Eastwick has taken corrective actions necessary to resolve Finding 5.

Finding 6: Student Enrollment – Inaccurate/Untimely Reporting

The reviewers identified National Student Loan Data System (NSLDS) late reporting for students 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 17, 19, 20, 21, 22, 24, 25, 26, 28, 30 and 32.

Eastwick was required to have procedures in place to ensure that enrollment reports reflect accurate data and that students' change of status are reported in a timely manner. Details of those procedures had to be provided with the response to this report.

In addition, Eastwick was required to make the necessary status corrections for all students identified in this finding. Eastwick had to provide the Department with documentation indicating that the required changes have been made.

In its April 28, 2017 response, Eastwick submitted verification that the corrections to NSLDS for each student listed in the Program Review Report were made, with the exception of student 21. Student 21 re-enrolled after graduating from a previous program at Eastwick. Eastwick failed to correct NSLDS which continues to show the student as graduated as opposed to enrolled during that time period. Eastwick stated that they are having issues with the correcting the status and that they are currently working with NSLDS to update the enrollment status for student 21.

Eastwick has taken corrective actions necessary to resolve Finding 6.

Finding 7. Credit Balance Deficiencies

The review team did not identify any instances of failure to deliver Title IV credit balances in a timely manner due to the fact that no Title IV credit balances were identified on any student ledgers reviewed by the team. Eastwick consistently bill students, for all programs, for the entire program costs of tuition, fees, and book charges

upon enrollment. This billing practice contradicts the statement present on signed enrollment agreements which states "tuition is charged per term..."

Eastwick was required to provide the Department with a copy of their written procedures explaining how they allocate the total program charges over each payment period in order to identify a Title IV credit balance during a payment period.

In addition, Eastwick was required to make the necessary corrections for students 5 and 10 and provide the Department with documentation indicating that the required changes were made.

In its April 28, 2017 response, Eastwick acknowledges the deficiencies regarding the student ledgers. Eastwick also explains that its Diamond system, which is used to manage student records, only provided for a single posting of program charges. Eastwick explains that due to this limitation it had a manual process to identify potential FSA credit balances.

Eastwick reviewed its internal procedures and through coding modifications, program charges will be assessed to students and posted to their ledgers on a payment period basis. This modification will serve to ensure compliance with Title IV. Eastwick stated that FSA funds are currently disbursed on a payment period.

Eastwick submitted its revised policy and procedures in addition to the student ledgers for students 5 and 10. According to the ledgers, no credit balances were due to the students.

Eastwick has taken corrective actions necessary to resolve Finding 7.

Finding with Established Liabilities

The program review report finding with liabilities requiring further action is summarized below. At the conclusion of the finding is a summary of Eastwick's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on January 27, 2017 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. Ineligible Program

Summary of Noncompliance: *The Department reviewed Eastwick's Eligibility and Certification Approval Report (ECAR) and was unable to find an undergraduate non*

degree program entitled Medical Assisting with Introduction to Nursing program on the list of approved programs offered at the school. However, the Department did identify students with signed enrollment agreements for this program who received Title IV funds.

Students 12, 20, 27, 31, 32 have signed Enrollment Agreements stating their program of study is Medical Assisting with Introduction to Nursing, which is not an approved program for Title IV purposes. Eastwick's 2012-2013 Catalog lists two similarly named programs, Medical Assisting with Pharmacy Technician, and Medical Assisting with Patient Care Technician, but it does not include a Medical Assisting with Introduction to Nursing program. Eastwick staff stated the program was not dissimilar from these other programs and that they introduced it at the request of their students. Neither explanation results in this program being Title IV eligible, especially since Eastwick, to date, has failed to report this program to the Department.

Directive from PRR: *Eastwick had to submit State and Accreditor approvals for the Medical Assisting with Introduction to Nursing program. Eastwick also had to identify all students enrolled in the program during the 2012/2013 and 2013/2014 award years.*

Analysis of Liability Determination: In its April 28, 2017 response, Eastwick stated that it did not agree with Finding 1. Eastwick states that its 54 credit Medical Assisting Program had been approved for many years and this non-substantial change of the additional six credit C.N.A. course did not affect the program's accredited status. Eastwick also states they are of the opinion that a program does not need to be approved by the Department for it to be eligible. In addition, Eastwick states that the Medical Assisting program was accredited and within the scope of its other approved programs. Eastwick points out that it was not on a provisional PPA and had the ability to award aid to students enrolled in the program. Eastwick states that it does recognize that there was an administrative oversight in not updating the student's enrollment applications to reflect the new program.

Eastwick also stated in their response that in November 2013, The New Jersey Department of Health restricted the bundling of nurse aide classes with other courses; therefore Eastwick had to abolish the program.

Eastwick's eligibility does not necessarily extend to all of its programs, so Eastwick is responsible for ensuring that a program is eligible before awarding FSA funds to students in that program. By awarding FSA funds to students in a new program without ensuring that the program is eligible, Eastwick assumes the risk if the program is deemed ineligible. Eastwick failed to submit documentation from its state and accreditor approving the new program. The Department requested that Eastwick submit documentation from the accreditor stating that the new program is considered a non-substantive change; Eastwick was unable to provide documentation.

According to Eastwick, there were 20 students that were previously enrolled in the approved Medical Assisting program. Those students transferred to the Medical Assisting with an Introduction to Nursing program. Once the program was abolished, the students returned to the Medical Assisting program. Eastwick conducted a file review, which revealed that once Eastwick eliminated the 6 credit hours from the Medical Assistant with Introduction to Nursing program, 2 out of the 20 students were over-awarded. Student 12's enrollment status changed from full to $\frac{3}{4}$ quarters and Student 33's enrollment status changed from full to less than half-time. Eastwick owes the following liabilities for 2013-2014 award year due to the enrollment changes of students 12 and 33:

Student Number	Ineligible Pell	Ineligible DL Subsidized Loan	Ineligible DL Unsubsidized Loan
12	\$470.00	-	-
33	\$942.00	\$1,155.00	\$153.00

The total amount of Direct Loan that Eastwick improperly disbursed during the 2013-2014 award year for this finding is \$1,308.00. 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 loss (EL) that the government may incur with respect to the ineligible loans. The estimated loss is calculated based on the relationship between Eastwick's cohort default rate and the sector cohort default rate. As a result, the estimated loss that Eastwick must pay to the Department for these ineligible loans is \$108.51. Appendix D2 contains the results of the calculation of the EL.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows. This information is provided so that the institution understands the liabilities associated with each finding. Duplicate liabilities have been removed. The payment instructions in Section E have been adjusted to reflect the unduplicated liabilities.

Liabilities	Pell (2013- 2014)	ELF DL	
Finding 1	\$1,412.00	\$108.51	
Subtotal 1	\$1,412.00	\$108.51	
Interest/SA	\$44.12		
Subtotal 2	\$44.12		
TOTAL (add subtotal 1 + 2)	\$1,456.12	\$108.51	
Payable To:			Total
Department	\$1,456.12	\$108.51	\$1,564.63

Estimated Loss Formula (ELF): For Finding 1, the table above includes an estimated amount of actual loss rather than the total amount of ineligible loan funds as explained in the Final Determination section for each of these findings.

E. Payment Instructions

1. Liabilities Owed to the Department

Eastwick owes to the Department \$1,603.63. 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

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, 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 necessary).

The following identification data must be provided with the payment:

Amount: \$1,564.63
DUNS: 099488231
TIN: 223475958
Program Review Control Number: 201440228751

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. Eastwick is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contacts the Department's Accounts Receivable & Bank Management Group at (202) 245-8080 and ask to speak to Eastwick's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable & Bank 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
Accounts Receivable & Bank Management Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, Eastwick 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 Eastwick from the Federal Government. **Eastwick may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Eastwick 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. William D. Ford Federal Direct Loan (Direct Loan) Liabilities:

Direct Loan Estimated Loss Formula

Finding 1: Ineligible Program
Appendix: E

DL Estimated Loss Formula	
Amount	Award Year
\$108.51	2013-2014

Total	
\$108.51	

Eastwick must pay the amount reflected above in Direct Loan estimated loss liabilities for the award year 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 1 above.

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

Pell – Closed Award Year

Finding 1: Ineligible Program
 Appendix: D2

Eastwick must repay:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$1,412.00	\$44.12	Pell	2013-2014
Total Principal	Total Interest		
\$1,412.00	\$44.12		

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

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 Sherry Blackman within 45 days of the date of this letter.

F. Appendices

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

Final Program Review Determination
PRCN #: 201440228751

Appendix B
Program Review Report



JAN 27 2017

Thomas Eastwick
President
Eastwick College – Hackensack Campus
250 Moore Street
Hackensack, NJ 07601-7197

Certified Mail
Return Receipt Requested
7006 2760 0002 1737 5597

RE: **Program Review Report**
OPE ID: 01246200
PRCN: 201440228751

Dear Mr. Eastwick:

From July 14, 2014 through July 18, 2014, Gloria T. Green and Brenee Johnson conducted a review of Eastwick College's (Eastwick) 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 Eastwick. The response should include a brief, written narrative for each finding that clearly states Eastwick's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Eastwick 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.

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

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 – New York/Boston
32 Old Slip, 25th Floor, New York, NY 10005

response will not be attached to the FPRD. However, it will be retained and available for inspection by Eastwick 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 Gloria T. Green 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. 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 Gloria T. Green at 646.428.3741 or gloria.green@ed.gov.

Sincerely,


Christopher Curry
Compliance Manager

cc: Enrique Perero, Financial Aid Administrator

Enclosure:

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

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
Eastwick College

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

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID 01246200
PRCN 201440228751

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division- New York/Boston

Program Review Report

JAN 27 2017

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A. Institutional Information

Eastwick College – Hackensack Campus
250 Moore Street
Hackensack, NJ 07601

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Accrediting Council for Independent Schools and Colleges

Current Student Enrollment: 354 (2013/2014)

% of Students Receiving Title IV: 90% (2013/2014)

Title IV Participation (from Postsecondary Education Participants System (PEPS):

	<u>2014/2015 Award Year</u>
Federal Pell Grant Program (Pell)	\$ 1,803,222
William D. Ford Federal Direct Loan Program - Subsidized Stafford (DL Sub)	\$ 1,819,806
William D. Ford Federal Direct Loan Program- Unsubsidized Stafford (DL Unsub)	\$ 2,521,781
William D. Ford Federal Direct Loan Program Parent Loan for Undergraduate Student (PLUS)	\$ 297,955
Federal Supplement Educational Opportunity Grant (FSEOG)	\$ 72,968

Default Rate DL:	2012	5.0%
	2011	10.4%
	2010	10.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Eastwick College (Eastwick) from July 14, 2014 to July 18, 2014. The review was conducted by Gloria Green and Brennee Johnson.

The focus of the review was to determine Eastwick's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review consisted of, but was not limited to, an examination of Eastwick's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers and fiscal records.

A sample of 32 files was identified for review from the 2012/2013 and 2013/2014 (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 Eastwick'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 Eastwick 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 Eastwick to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Ineligible Program

Citation: 34 C.F.R. §600.2 defines a regular student as a person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution.

In order for regular students to be eligible to receive Title IV funds, they must be enrolled in an eligible educational program at a Title IV eligible institution. 34 C.F.R. § 668.32 (a)(1). The program must be approved by the institution's licensing body and the Department. See 34 C.F.R. § 600.2, 610 (b).

34 C.F.R. §668.32 (a)(1)(i) states that a student is eligible to receive Title IV funds if the student is a regular student enrolled in an eligible program at an eligible institution.

Noncompliance: The Department reviewed Eastwick's Eligibility and Certification Approval Report (ECAR) and was unable to find an undergraduate non degree program entitled *Medical Assisting with Introduction to Nursing* program on the list of approved programs offered at the school. However, the Department did identify students with signed enrollment agreements for this program who received Title IV funds.

Students 12, 20, 27, 31, 32 have signed Enrollment Agreements stating their program of study is *Medical Assisting with Introduction to Nursing* which is not an approved program for Title IV purposes. Eastwick's 2012-2013 Catalog lists two similarly named programs, Medical Assisting with Pharmacy Technician, and Medical Assisting with Patient Care Technician, but it does not include a *Medical Assisting with Introduction to Nursing* program. Eastwick staff stated the program was not dissimilar from these other programs and that they introduced it at the request of their students. Neither explanation results in this program being Title IV eligible, especially since Eastwick, to date, has failed to report this program to the Department.

Required Action: Eastwick must submit State and Accreditor approvals of this program. Eastwick must also identify all students enrolled in the Medical Assisting with Introduction to Nursing program during the 2012/2013 and 2013/2014 award years. Each student identified must be listed on a spreadsheet, by financial aid award year, by term, with the following information:

-Student Name

-SSN

Amounts disbursed for

-Pell

-DL - Sub

-DL - Unsub

-PLUS

-FSEOG

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 2. Improper Loan Certification

Citation: *34 C.F.R. § 685.300* states that an institution shall certify that the information it provides in connection with a loan application about the borrower and, in the case of a parent borrower, the student for whom the loan is intended, is complete and accurate.

34 C.F.R. § 685.203 specifies undergraduate annual loan limits. *34 C.F.R. § 685.203(a)(1)(i)* states for a program of at least a full academic year in length the annual limit is \$3500; *34 C.F.R. § 685.203(a)(2)(i)* specifies for an undergraduate student who has successfully completed the first year of an undergraduate program but has not successfully completed the second year of an undergraduate program, the total amount the student may borrow for any academic year of study under the Direct Subsidized Loan Program may not exceed \$4,500.

34 C.F.R. § 685.301 requires a school, when originating a Direct Loan, to provide the Secretary with complete and accurate information.

Noncompliance: **Student 2** was enrolled less than half-time (4.8 credits) during the August 2013 term; however, Eastwick disbursed her subsidized loan (\$1156 on November 19, 2013) and her unsubsidized loan (\$190 on August 21, 2013) to her account. Eastwick did return these ineligible loan funds to the Department on the student's behalf, immediately preceding the program review, July 3, 2014.

Student 6 requested Eastwick update her subsidized loan eligibility from \$3500 to \$4500 to reflect her change from Grade Level 1 to Grade Level 2. Eastwick revised her subsidized loan from \$3,500 to \$4,500 after the student earned 30 credits and was at Grade Level 2. The loan was initially certified for the period of August 30, 2012 to April 4, 2013. However, the student

had not earned the 30 credits until December of 2012; thus, changing the loan to reflect Grade Level 2 for the entire period of the loan is incorrect. Eastwick should have created a new subsidized loan at Grade Level 2 to coincide with the second disbursement period (January through April 2013).

Student 23 was granted a Leave of Absence (LOA) from October 28, 2013 to January 27, 2014 in order to deal with his mother's death. When he returned to school Eastwick failed to modify the period of his loan to reflect the time he was on an approved LOA.

Required Action: The institution is required to have procedures in place to ensure that adjustments made to loans are certified correctly. Details of these procedures must be provided with the response to this report.

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 3. Inadequate FSEOG Selection Policy

Citation: 34 C.F.R. §678.8 states that an institution must administer the FSEOG program in accordance with the Higher Education Act (HEA). As such, 34 C.F.R. 676.10 requires an institution to select those Pell eligible students with the lowest expected family contribution when selecting students for FSEOG awards.

Noncompliance: When the review team asked Eastwick staff how they selected FSEOG recipients they were told *"we select students with zero EFCs."* Eastwick's 2013-2014 Student Consumer Information Handbook states on page 2 *"Priority is given to the students with the zero Expected Family Contributions who are PELL eligible with special circumstances as determined by the financial aid officer."*

When the staff was asked how they would choose among several zero EFC students no additional information was provided. For example, staff did not make reference to dividing FSEOG for future start dates in the academic year. While onsite the review team requested a copy of the school's packaging policies but to date one has not been provided.

A review of the FSEOG recipient students in the 2012/2013 sample reveals, **Student 8**, with an EFC of 840 was awarded \$251 in FSEOG. The application of Eastwick's policy suggests that, Student 8's receipt of an FSEOG award indicates nearly all zero EFC students, and even those with EFCs from 1 – 839, were also awarded FSEOG. However, the fact that 7 other students in the 2012/2013 sample with zero EFCs did not receive an FSEOG award contradicts what the Department was told by Eastwick staff. Student 6's file did not contain any explanation of special circumstances taken into consideration by Eastwick when they awarded FSEOG to this student.

Required Action: Eastwick must provide the Department with a detailed policy outlining how FSEOG funds are awarded to Eastwick students.

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 4. Satisfactory Academic Progress (SAP) Policy Not Adequately Monitored

Citation: An institution must establish satisfactory academic progress standards that are the same as or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving assistance under a Title IV, HEA program (34 C.F.R. § 668.16 (e)(1)).

An institution must establish satisfactory academic progress standards that include specific policies defining the effects of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress (34 C.F.R. § 668.16 (e)(2)(ii)(DD)).

An institution must establish satisfactory academic progress standards that provide specific procedures for a student to re-establish that he or she is maintaining satisfactory progress (34 C.F.R. § 668.16 (e)(6)).

In accordance with 34 C.F.R. § 668.32 (f) a student is eligible to receive Title IV, HEA program assistance if the student maintains satisfactory academic progress in his or her course of study according to the institution's published standards of satisfactory academic progress.

Noncompliance: While Eastwick published an SAP policy, they have not adequately demonstrated they have monitored the progress of each Title IV recipient. The review team found no written affirmation that the SAP status of each Title IV recipient was reviewed, and that Eastwick determined if each Title IV recipient was making SAP at the conclusion of a payment period before they made subsequent Title IV disbursements. In the absence of any SAP documentation, the review team carefully examined each student's transcript to make a determination of the student's SAP status, this examination led to the identification of the following SAP monitoring issues:

Student 8 completed her first term, which began on April 23, 2012, with a GPA of 0.43 and a completion rate of 26%, both well below Eastwick's published SAP standards. She remained enrolled for the next term which began on July 30, 2012, in which she earned a 36% completion rate, a term GPA of 0.44 and a cumulative GPA of 0.45. Student 8 had Pell, subsidized and unsubsidized loans and FSEOG credited to her account in August, September and October 2012 without any evidence of an SAP evaluation after her first term. There was no evidence she was placed on financial aid warning.

Student 9 successfully completed 2.7 quarter credits of the 5.1 quarter credits she attempted during the December 3, 2012 term. Her completion rate falls below the required 67% yet no evidence was present in her file noting this first deficiency and resulting in a financial aid warning.

Her file does contain a letter, dated September 30, 2013, stating she was withdrawn from the school due to her failure to maintain satisfactory academic progress. However, at the conclusion of the August 5, 2013 term she had earned a 2.79 cumulative GPA and had completed 34.2 of the 36.6 credits she had attempted, which meets Eastwick's qualitative and quantitative standards. Even more curious is a document labeled *Student Notes* dated February 2, 2013 stating "*she will not be eligible to graduate with an 'F' on her final transcript.*" Nevertheless, Eastwick permitted the student to remain enrolled for 4 additional terms before informing her of her inability to graduate.

Student 10 successfully completed 7.2 quarter credits of the 17.2 quarter credits she attempted during the January 23, 2012 term. Her completion rate falls below the required 67% yet no evidence was present in her file noting this deficiency and resulting in a financial aid warning.

In addition, the Department is in receipt of student complaints regarding Eastwick's ongoing practice of retaining students and their Title IV funding, by either transferring them from program to program and/or failing to adequately advise students of graduation requirements. For example, **Student 11** was unable to successfully complete courses required for graduation irrespective of the fact that she was making SAP. When she earned an "F" in MA134E during the May 28, 2013 term Eastwick permitted her to enroll in MA127A in the next term where she again earned a grade of "F". The "F" grade in MA127A did not preclude Eastwick from permitting her to enroll in MA127B where she earned another "F". It was not until January 31, 2014, three terms after she earned her first "F" that Eastwick informed her she was being withdrawn due to a failure to maintain satisfactory academic progress. A second Notification of Change in Status Form in her file states she was withdrawn from classes as a result of "*Other: due to F grades on final transcript*". The student concluded the November 25, 2013 term with greater than a 67% completion rate as well as a cumulative GPA higher than 2.0 which are consistent with Eastwick's SAP standards. The review team discussed this particular student's use of Title IV funds and the reason specified for her withdrawal with Eastwick staff. The review team's discussion with the Dean of Academics, who signed the notification, stated the student could now transition into what school officials, including the Dean, referred to as a "cash payer" since she was no longer eligible to receive any further Title IV assistance. Not surprisingly, the student could not afford to continue her education without Title IV funding and did not return. She left Eastwick without having earned a credential. She did however expend several terms of her limited Pell eligibility and incur more than \$8,000 in student loan debt. The review team recommends Eastwick examine its advising practices and not permit students who have failed a required course to continue in the program until they have successfully completed the required course as soon as possible.

The number of transcripts in the sample containing transfer credits from one Eastwick program to another Eastwick program or even from one Eastwick campus to another Eastwick campus again brings the adequacy of Eastwick's SAP evaluations and student advisement process into question. The fact that many Eastwick programs are in the medical field and therefore share common learning objectives, encouraging a student to transfer from one program to another may

not be in the students' best interests. The difficulties a student encounters in one program may likely be underscored once again when they enroll in a similar program.

Required Action: Eastwick must immediately begin to document each Title IV recipient's SAP status prior to each Title IV disbursement after the first disbursement. A copy of these new procedures and any forms included used in the evaluation must be provided to the Department.

In addition, Eastwick must provide a narrative explanation of the SAP status of each student noted in this finding during their entire enrollment at Eastwick. For each student not making SAP Eastwick must also include a copy of their account ledger highlighting any and all ineligible Title IV disbursements.

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 5. Return to Title IV (R2T4) Calculation Errors

Citation: An institution is required to determine the amount of funds to be returned to the Title IV programs for a student who withdraws from the institution based on criteria established in regulation at *34 C.F.R. § 668.22*. A primary element of the calculation is the determination of the percentage of the payment period that students completed.

For purposes of calculating Returns to Title IV Funds (R2T4), the regulations define the withdrawal date for a student who ceases attendance at an institution that is required to take attendance, as the last date of academic attendance as defined by the institution from its attendance records. *34 C.F.R. § 668.22 (b) (1)* The date of the institution's determination that a student withdrew should be no later than 14 days after the student's last date of attendance. *2009/2010 Federal Student Aid Handbook, pg. 5-47*

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

Consistent with *34 C.F.R. § 668.164(b)(3)* an institution is required to have a process in place to confirm that a student has begun attendance in the classes on which his/her eligibility is based prior to making a Title IV disbursement.

Noncompliance: The Department identified the following R2T4 issues:

Student 8 withdrew on December 5, 2012 with a Refund Calculation Worksheet in her file stating *No Aid Received*. The fact that Eastwick's ledger does not attribute Title IV payments to a specific term made it difficult to determine the accuracy of the statement. Student 8's record in COD confirms her second 2012/2013 second Pell disbursement was never made. Given

Student 8's questionable SAP status as noted above in Finding 4, the question arises as to why no additional aid was credited to her account resulting in the absence of an R2T4 calculation.

Student 19's R2T4 worksheet reveals that Eastwick failed to round the percentage of the term completed to the nearest tenth of a percent. The Department's worksheets, as well as the Federal Student Aid Handbook, state the need to calculate to the nearest tenth of a percent. In addition, the amounts of Direct Subsidized and Unsubsidized Loans disbursed (\$1732/ \$2968) on her account ledger were reduced to \$1386 and \$2374 when the calculation was performed. The reason for the \$940 reduction in her loan disbursements is not readily apparent. Lastly, the Refund Calculation Worksheet in the file resulted in a \$4023 refund to the Direct Loan program yet Eastwick returned \$4671 on December 27, 2013.

Student 31 officially withdrew from Eastwick, for financial reasons, after completing the first term of her program on May 1, 2014. Eastwick completed an R2T4 worksheet and determined she was entitled to 100% of the funds disbursed to her for her first term. However, Eastwick's internal procedures did not preclude the disbursement of her second term Pell, subsidized loan and unsubsidized loans funds on May 21, 2014. The second disbursements were made regardless of the fact the student never commenced attendance in the term. In addition, it was not until May 30, 2014 that Eastwick returned all of her second term disbursements to the Department.

Required Action: Eastwick must provide a copy of **Student 8's** source attendance records (faculty class roster(s)) as well as explain why **Student 8** did not receive any aid for her third term of enrollment. The institution must also provide the Department with an explanation for the amounts used in **Student 19's** R2T4 calculation and/or a revised R2T4 worksheet. Lastly, Eastwick must submit copies of revised policies and procedures for verifying eligibility prior to disbursing Title IV funds.

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 6. Student Enrollment – Inaccurate/Untimely Reporting

Citation Summary: A school shall, upon receipt of an enrollment report from the Secretary, complete and return that report to the Secretary within 30 days of receipt and, unless it expects to submit its next enrollment report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who: (1) enrolled at that school but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (34 C.F.R. §685.309(b)(2)(i)).

Noncompliance: The reviewers identified conflicting information between students' files and the National Student Loan Data System (NSLDS) with regard to the student's enrollment status and effective dates. In addition, several enrollment updates were reported late to NSLDS. The Department identified the following instances of late reporting:

Student 2 began her full time enrollment in a second program on April 29, 2013 but her status was not reported until April 9, 2014, nearly a year after she began enrollment.

Student 3 attended Eastwick during the 2011/2012 academic year and then returned to enroll in the Medical Billing & Coding Program in 2012/2013. She began enrollment on February 4, 2013 and graduated on July 19, 2013 however Eastwick never reported this period of enrollment.

Student 4 began her full time enrollment on July 30, 2012 but her status was not reported until October 23, 2012, more than 60 days after she began enrollment.

Student 5 began his full time enrollment on October 22, 2012 but his status was not reported until February 24, 2013, over four months after he began enrollment.

Student 6 began her full time enrollment on July 30, 2012 but her status was not reported until October 23, 2012, more than 60 days after she began enrollment.

Student 7 previously attended and graduated from Eastwick in 2004. In July 2012 she enrolled in a second program which Eastwick did not report to the Department. As of July 2014 Department records do not reflect her second period of enrollment or her graduation from the Medical Assistant – Pharmacy Technician Program in April 2013.

Student 8 began her full time enrollment on April 23, 2012 but her status was not reported until August 21, 2012, nearly four months after she began enrollment.

Student 9 began her full time enrollment on September 24, 2012 but her status was not reported until December 19, 2012, nearly three months after she began enrollment.

Student 10 began her full time enrollment on October 24, 2011 but her status was not reported until February 27, 2012, over four months after she began enrollment.

Student 12 began her full time enrollment on August 5, 2013 but her status was not reported until December 18, 2013, over four months after she began enrollment.

Student 13 began her fulltime enrollment on October 22, 2012 which Eastwick failed to report to the Department. When she subsequently withdrew on December 13, 2012 Eastwick failed to report her withdrawal until February 26, 2013, more than 60 days after she withdrew.

Student 14 began her full time enrollment on September 26, 2011 but her status was not reported until December 18, 2011, more than 60 days after she began enrollment.

Student 15 began her fulltime enrollment on October 24, 2012 but her status was not reported until February 24, 2013, four months after she began enrollment. When she subsequently

withdrew from the January 27, 2014 term on April 17, 2014 Eastwick failed to report her withdrawal.

Student 17 was on an approved Leave of Absence from April 23, 2012 until the start of the July 30, 2012 term. Eastwick failed to report her leave to the Department.

Student 19 began her full time enrollment on October 28, 2013 but her enrollment status was not reported until December 18, 2013, more than 60 days after she began her enrollment. Eastwick not only reported her enrollment status late, on the date they reported her enrollment status she had already withdrawn from Eastwick. Eastwick completed an R2T4 calculation for her on December 5, 2013. The R2T4 calculation is discussed further in Finding 4 above. Additionally, Eastwick reported its December 5, 2013 determination of her withdrawal on February 13, 2014 more than 60 days after the determination.

Student 20 began her full time enrollment on August 5, 2013 but her status was not reported until October 29, 2013, more than 60 days after she began enrollment.

Student 21 previously attended Eastwick, in 2002/2003 and 2003/2004. When she re-enrolled in January 2012 Eastwick failed to report her second period of enrollment until February 18, 2014. At this time she had completed her first program and was now enrolled in a second program. However, Eastwick continued to report her status as graduated.

Student 22 graduated on April 18, 2014 but her status was not reported until June 25, 2014 more than 60 days after she graduated.

Student 24 re-enrolled in a second program on April 28, 2014. This second period of enrollment had not yet been reported to the Department at the time of the review.

Student 25 began her enrollment on January 27, 2014 but her status was not reported until April 9, 2014, more than 60 days after she began enrollment.

Student 26 began her enrollment on August 5, 2013 but her status was not reported until October 29, 2013, more than 60 days after she began enrollment

Student 28 began her full time enrollment on February 4, 2013 but her status was not reported until May 6, 2013, more than 60 days after she began enrollment.

Student 30 began her full time enrollment on February 4, 2013 but her status was not reported until July 1, 2013, nearly five months after she began enrollment.

Student 32 began her full time enrollment on October 28, 2013 but her status was not reported until February 13, 2014 nearly four months after she began enrollment.

Required Action: Eastwick is required to have procedures in place to ensure that enrollment reports reflect accurate data and that students' change of status are reported in a timely manner. Details of those procedures must be provided with the response to this report.

In addition, Eastwick is required to make the necessary status corrections for all students identified in this finding. They must provide the Department with documentation indicating that the required changes have been made.

Eastwick will be apprised of any additional actions upon receipt and review of its response.

Finding 7. Credit Balance Deficiencies

Citation: Whenever an institution disburses Title IV funds by crediting a student's account and the total amount of all Title IV funds credited exceeds the amount of institutional charges, per 34 C.F.R. §668.164(e)(1)(2) the institution must pay the resulting credit balances 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, or no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

Noncompliance: The review team did not identify any instances of failure to deliver Title IV credit balances in a timely manner due to the fact that no Title IV credit balances were identified on any student ledgers reviewed by the team. The absence of a single credit balance is a function of how Eastwick bills their students. Students are consistently billed, for all programs, for the entire program costs of tuition, fees, and book charges upon enrollment. This billing practice contradicts the statement present on signed enrollment agreements which states "*tuition is charged per term...*"

For example, **Student 5** was enrolled in the Bilingual Licensed Practical Nursing, a 6 term program. Upon her initial enrollment on October 24, 2011 she was billed \$28,100 for the full program's tuition, fees and books. Eastwick correctly disbursed her aid on a payment period basis but did not apportion the total charges over the course of the program.

Student 10 was enrolled in the Bilingual Licensed Practical Nursing, a 6 term program, which spans two financial aid award years. Upon her initial enrollment on October 24, 2011 she was billed \$28,100 for the full program's tuition, fees and books. Eastwick correctly disbursed her aid on a payment period basis but did not apportion the total charges over the length of the program. It was not until she was academically withdrawn, that Eastwick reversed the charges for the terms she would not be completing that her account ledger reflected a credit balance.

Required Action: Eastwick is required to provide the Department with a copy of their written procedures explaining how they apportion the total program charges over each payment period in order to identify when a Title IV credit balance occurs during a payment period.

In addition, for the two students noted in this finding, Eastwick must provide the Department with a term-by-term listing of apportioned charges and Title IV funding along with documentation (front and back of cancelled checks) of all credit balances paid to students.

Eastwick will be apprised of any additional actions upon receipt and review of their response.

D. Recommendations

The following is a recommendation based upon observations made by the review team during the program review. Eastwick is not required to provide a response to, nor is Eastwick required to act upon, this recommendation. However, the review team believes that adoption of this recommendation will assist the institution in its administration of Title IV, HEA program funds.

During the on-site portion of the review, the review team recommended Eastwick officials revise the Student Consumer Information Handbook regarding Constitution Day. The 2013-2014 Handbook (page 26) states *In compliance with HEOA standards, Eastwick College Hackensack, on September 17 of every year holds Constitution Day. Part of this day is reserved for special activities, which may include presentation of special projects and assignments given in related courses.* In a year when September 17th falls on a Sunday, Eastwick would not be able to comply with the statement currently in the Handbook. A simple revision might be to change the on September 17 to during the week of September 17th.