March 21, 2018

Dr. J. Michael Pressimone
President
Fontbonne University
6800 Wydown Blvd.
St. Louis, MO 63105-3043

UPS Tracking #: 1ZA879640293259281

RE: **Final Program Review Determination**
OPE ID: 00246400
PRCN: 201720729540

Dear Dr. Pressimone:

The U.S. Department of Education's (Department's) School Participation Team – Kansas City issued a program review report on May 31, 2017 covering Fontbonne University's (Fontbonne) 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 2015-16 and 2016-17 award years. Fontbonne's PRR responses were received on July 27,2017 and February 14, 2018. A copy of the program review report (and related attachments) and Fontbonne's responses are included as appendices. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Fontbonne 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 $28,321. $24,004 of this liability is payable to the Department and $4,317 is payable to institutional accounts. The repayment requirements are addressed in the FPRD.

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 A1: Student Sample, Appendix A2: Return of Title IV Funds Sample, Appendix A3: Verification and Distance Education Sample, Appendix A4: Students Awarded Title IV, HEA Pell Grant Over 600% Lifetime Eligibility Used (LEU), Appendix D: Students Identified in File Review for Finding 2: Improper Return of Title IV Funds Calculation, and Appendix E: Students Identified in File Review for Finding 4: Failure to Return Undeliverable Title IV Credit Balance to HEA, Title IV Programs. In addition, Appendices F and G also contain PII. All 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 23, 2016 program review report. If Fontbonne 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 Fontbonne receives this FPRD. An original and four copies of the information Fontbonne 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

Fontbonne's appeal request must:

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

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to Fontbonne'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 Jenny Armontrout at jenny.armontrout@ed.gov or at (816) 268-0516. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

[redacted]

Ralph LoBosco
Division Director

Enclosure:
Protection of Personally Identifiable Information
Final Program Review Determination Report
FPRD Appendices A1, A2, A3, A4, B, C1, C2, D, E, F, and G (sent via e-mail)

cc: Mr. Matthew Kearney, Director of Financial
Director, Higher Learning Commission (HCL)
Leo Wade, Missouri Department of Higher Education
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 and are encrypted with AES encryption.

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

Fontbonne University

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
PROUD SPONSOR of the AMERICAN MIND™

OPE ID 00246400
PRCN 201720729540

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

Final Program Review Determination

March 21, 2018

Table of Contents

A. Institutional Information

Fontbonne University
6800 Wydown Blvd.
St. Louis, MO 63105-3043

Type: Private Nonprofit

Highest Level of Offering: Master's Degree or Doctorate

Accrediting Agency: North Central Association of Colleges and Schools - CIHE (Higher Education)

Current Student Enrollment (per institution): 2,135 (2015-16)

% of Students Receiving Title IV (per institution): 61.5% (2015-16)

Title IV Participation (G5):

	2015-2016
Federal Pell Grant	$ 1,612,319
Federal Supplement Education Opportunity Grant (FSEOG)	$ 77,223
Federal Work-Study (FWS)	$ 138,303
Federal Teacher Education Assistance for College and Higher Education (TEACH)	$ 30,929
Federal Perkins Loans (Perkins)	$ 148,806
Federal Direct Loans (DL)	$13,293,743

Default Rate DL:	2013	7.4%
	2012	6.1%
	2011	8.1%
Default Rate Perkins:	2015	18.5%
	2014	19.3%
	2013	22.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Fontbonne University (Fontbonne) from February 13 through February 17, 2017.

The purpose of the review was to determine Fontbonne's compliance with the statutes and regulations as they pertain to the institution's administration of the Federal student aid programs under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070 *et seq.* (Title IV programs). The Department's primary focus for this review was an examination of Fontbonne's distance education programs. Fontbonne offers both on-campus and distance education programs; 26 of the student files reviewed were distance education students. The review consisted of, but was not limited to, an examination of Fontbonne's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and distance education courses and interaction.

A sample of 30 files was identified for review from the 2015-16 and 2016-17 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, nine files were selected based on students who withdrew and had a Return of Title IV funds (Return) calculation performed, six files were selected based on students who were selected for verification and enrolled in distance education courses, and one file was identified before the review for exceeding Title IV, HEA Pell "Lifetime Eligibility Used" (LEU). Appendix A1 identifies the sample of 30 students whose files were examined during the program review, Appendix A2 identifies the sample of students reviewed for Return calculations, Appendix A3 identifies the sample of students reviewed for verification and distance education, and Appendix A4 identifies the student with the Title IV, HEA Pell LEU violation.

The Department issued its Program Review Report (PRR) on May 31, 2017 (Appendix B). Fontbonne submitted its written response to the PRR on July 27, 2017 ("July 27, 2017 Response"), included in Appendix C. Fontbonne included the following documents in the July 27, 2017 Response to the PRR: 1) a written response for each finding; 2) a summary results spreadsheet for the file reviews required in Findings 2, 4, 6, 7, 9, 10, and 11; 3) copies of the required documents for the students included in the file reviews; and 4) updated policies and procedures for all 13 findings. Fontbonne's responses included all the required elements, but failed to include a written explanation regarding Student #46 in Finding 3, and supporting verification documentation required for Student #40 in Finding 5. Therefore, the July 27, 2017 Response was not complete.

On February 14, 2018, Fontbonne submitted a subsequent response addressing the two students listed above. Thus the February 14, 2018 Response contained all of the required elements to complete the institution's PRR response.

Disclaimer:

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

C. Final Determinations

Resolved Findings

For Findings 1, 6, 8, 9, 10, 11, 12, and 13, Fontbonne was required to update its policies and procedures to align with regulatory requirements. For other findings, Fontbonne was required to submit additional documentation, detailed below, to resolve the cited noncompliance. Fontbonne submitted updated policies and procedures for each of these findings which meet the statutory requirements.

For Findings 6, 9, and 10, Fontbonne was also required to complete file reviews. Fontbonne provided documentation that adequately addressed the requirements of each finding's file review, and the Department examined and confirmed the results of these file reviews. None of these file review resulted in liabilities.

In response to Finding 13, the Department required Fontbonne to update its Eligibility and Certification Approval Report (ECAR) to reflect its third party servicers (TPS) and four graduate certificate programs. Fontbonne added the TPS with which it has contracts, but stated that it does not award Title IV, HEA program funds to students enrolled in only a graduate certificate program. Fontbonne stated that it has only awarded Title IV, HEA program funds to students who are concurrently enrolled in a graduate certificate program and an eligible graduate program. Since Fontbonne does not award Title IV, HEA program funds to students solely enrolled in its graduate certificate programs it is not required to add these programs to its ECAR.

Based upon the documentation submitted in its response, the Department considers Findings 1, 6, 8, 9, 10, 11, 12, and 13 resolved.

Findings with Established Liabilities

Finding 2: Improper Return of Title IV Funds Calculations

Summary of Noncompliance: When a recipient of Title IV, HEA funds withdraws from an institution during a payment period or period of enrollment after the recipient began attendance, the institution must perform a Return of Title IV Funds calculation to determine the amount of Title IV, HEA grant or loan assistance the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1). At institutions that are required to take attendance, a student's withdrawal date is the last date of "academic attendance" per the institution's records. 34 C.F.R. § 668.22(b)(1). An institution is required to take attendance if an outside entity requires the institution to take attendance, if the institution itself has policies that instructors take attendance, or there is a programmatic requirement that can only be met by taking attendance (or a comparable process). 34 C.F.R. § 668.22(b)(3)(i).

Regulations additionally define "institutional charges" as tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally-related expenses assessed by the institution. 34 C.F.R. § 668.22(g)(2).

During the 2015-16 and 2016-17 award years, Fontbonne was not required by an outside entity to take attendance, but did require its faculty to take attendance. Though Fontbonne required attendance to be taken it did not always use the recorded last date of attendance (LDA) when processing Return calculations. Fontbonne also failed to identify and process unofficial withdrawals until the end of each term; however, as an institution with an attendance policy it should have identified unofficial withdrawals within 14 days of students' LDA.

Institutional charges are also a required part of a Return calculation. The institutional charges used in a Return calculation are the charges that were initially assessed to a student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, after a student withdraws, the institution changes the amount of institutional charges it is assessing a student, or decides to eliminate all institutional charges, those changes affect neither the charges nor aid earned in the calculation.
2016-17 Federal Student Aid Handbook, Vol. 5, Chap. 1, pg. 5-15. See also Dear Colleague Letter (DCL) GEN-00-24 (Dec. 2000) (treatment of institutional charges in R2T4 calculations).

Six students were cited in the PRR for Fontbonne making adjustments to some students' tuition and fee charges after the students had withdrawn, not including the original charges in these students' Return calculations as required, improperly calculating Returns, or returning Title IV, HEA funds later than 45 days.

This issue was also reported in Fontbonne's yearly compliance audit (FYE 06/30/2016).

Directives from the PRR: The Department required Fontbonne to perform a file review for students who withdrew during the 2015-16 and 2016-17 award years. The file review required Fontbonne to perform a correct calculation or recalculation for Returns the institution determined to be improperly calculated and Returns that should have been calculated but were not.

Analysis of Liability Determination: In its July 27, 2017 Response, Fontbonne partially concurred with this finding. The institution agreed with the Department's findings for Students #32, #33, #34 and #35. Since it previously returned Title IV, HEA program funds in excess of the required amounts for Students #34 and #35 no further action is required for these students. Students #32 and #33 are addressed below with the students Fontbonne identified in its required file review.

Fontbonne did not concur with the Department's determinations for Students #36 and #37. In its response, Fontbonne provided documentation for these two students which confirmed the students' LDAs were later than those established by reviewers during the onsite review. Student #36's LDA was 11/16/2016 which changed the percentage of the term completed to 83.2%, thus the student earned 100% of the Title IV, HEA program funds disbursed to him during the Fall 2016 semester. Student #37's LDA was 10/20/2016 which changed the percentage of the term completed to 59.3%. Since Fontbonne previously determined the student completed 50% of the term, the institution returned more Title IV, HEA program funds than necessary. No liabilities will be established for these students, and no further action is required by Fontbonne regarding these students' Title IV, HEA program funds. Additionally, Fontbonne submitted updated policies and procedures changing its internal policy to be non-attendance taking, requiring all staff to use one institutional account to notify withdrawn students of their Return requirements, and a system to review Return calculations on a regular basis.

The Department identified 16 students in the file review for whom Fontbonne either failed to return funds within the 45 day requirement, or incorrectly calculated the funds earned by the student due to using an incorrect LDA or withdrawal date. In 10 instances (Students #33, #2-3, #2-5, #2-25, #2-31, #2-35, #2-38, #2-43, #2-47, and #2-61) Fontbonne returned Title IV, HEA program funds later than 45 days after it should have determined the student had withdrawn. Since Fontbonne did not adhere to its internal attendance-taking policy during the 2015-16 and 2016-17 award years, it failed to identify students who stopped attending within 14 days of those students' LDAs. Fontbonne has returned the required Title IV, HEA program funds for these students, but is responsible for the interest accrued on these late Returns. The total Cost of Funds (COF) due to the Department for these late Returns is **$48** ($1.92 *rounded* for Pell COF and $46 for Direct Loan COF), as shown in the COF calculation found in Appendix G; students with late Returns are highlighted in blue.

Fontbonne also identified seven students for whom it failed to return all of the required Title IV, HEA program funds. The institution is liable for the Title IV, HEA program funds it failed to return for Students #32, #2-4, #2-7, #2-22, #2-27, #2-41, and #2-61. In its response Fontbonne indicated that it had previously returned $176 in Title IV, HEA Perkins Loan funds, $742 in Title IV, HEA Direct Subsidized Loan funds, and $990 in Title IV, HEA Direct Unsubsidized Loan funds for Student #2-27; however, the Department's COD and NSLDS database systems do not reflect those returns. Additionally, for Student #2-61, Fontbonne processed a Return calculation using the 50% point, not allowed for attendance-taking institutions, but failed to complete an updated Return calculation using the student's actual LDA, 09/24/2016. The institution failed to identify that the student unofficially withdrew from the Fall 2016 semester, and did not process a Return calculation for her until 01/11/2017. At that time, Fontbonne returned $3,381 in Title IV, HEA Direct Unsubsidized Loan funds for the student; however, it should have used the student's LDA and returned $4,155 in Title IV, HEA Direct

Unsubsidized Loan funds. Fontbonne is liable for the interest accrued on the portion of the student's Title IV, HEA Direct Unsubsidized Loan it previously returned late (cited above), as well as, the additional $774 in Title IV, HEA Direct Unsubsidized Loan the student failed to earn.

For unmade Returns for the seven students cited, Fontbonne is liable for the following Title IV, HEA program funds and the COF associated with each fund, as shown in the COF calculation found in Appendix G:

- **$1** in Title IV, HEA Pell Grant funds (Student #32);

- **$176** in Title IV, HEA Perkins Loan funds and **$2** ($2.07 *rounded*) in COF (Student #2-27). Note: Fontbonne must pay this amount to its institutional Title IV, HEA Perkins Loan account. Further instructions for repaying these funds are included in Section II of the Payment Instructions;

- **$11,453** in Title IV, HEA Direct Loan funds ($2,001 in Title IV, HEA Direct Subsidized and $9,452 in Title IV, HEA Direct Unsubsidized) and **$134** in COF. Note: The interest charges were computed using the COF Rate Formula for Direct Loans published in the Federal Register by the Department of the Treasury, effective from the date of disbursement to the date of the PRR, as indicated in Appendix G.

Lastly, due to the number of unpaid and late refunds, the institution is required to have on file with the Department an irrevocable Letter of Credit (LOC) equal to 25% of the total refunds the institution made, or should have made, during the most recently closed fiscal year (34 C.F.R. § 668.173(d)). Instructions for submitting this LOC will be sent to the institution under separate cover.

Finding 3: Incorrect Awarding of Title IV, HEA Pell Grant Funds

Summary of Noncompliance: The amount of a student's Federal Pell Grant for an academic year is based on the payment and disbursement schedules published by the Secretary for each award year, and, at a school using standard terms, a student's enrollment during a payment period, e.g. an academic term. 34 C.F.R. § 690.62(a) and 690.63(a)(1).

Effective with the 2012-13 award year, the duration of a student's eligibility to receive a Title IV, HEA Pell Grant was reduced from 18 semesters (or its equivalent) to 12 semesters (or its equivalent, 6 Scheduled Awards). The 12-semester equivalency is calculated by adding the annual percentages of a student's scheduled award that was disbursed together. When a student has received the equivalent of 12 semesters (600%), the student has reached their Title IV, HEA Pell Grant eligibility maximum; thus, no further Title IV, HEA Pell Grant funds can be disbursed.

To aid in identifying students who are approaching their Title IV, HEA Lifetime Eligibility Used (LEU) limits, COD has been updated to return warning code 177 or 178 when a student's Title IV, HEA Pell Grant LEU is near or exceeds 600%. To calculate an award for a student whose LEU level will reduce their eligibility, first subtract their LEU % from 600%, then multiply the student's Scheduled Award by the resulting percentage. *2016-17 Federal Student Aid Handbook, Vol. 3, Chap. 3, pgs.3-67 and 3-68. See also* The Consolidated Appropriations Act, 2012 (Public Law 112-74 amended HEA section 401(c)(5)) and DCL GEN 12-01 (Jan. 2012) (Federal Pell Grant duration of eligibility).

Fontbonne failed to correctly awarded Title IV, HEA Pell Grant funds to three students.

Directives from the PRR: The Department required Fontbonne to provide an explanation for the incorrect Title IV, HEA Pell Grant disbursements for the three students. The institution was also required to provide updated policies and procedures to ensure that future Title IV, HEA Pell Grant funds will be awarded and disbursed correctly within the applicable limits, and to ensure Fontbonne correctly monitors students who are considered to be potential LEU concerns.

Analysis of Liability Determination: In its July 27, 2017 Response, and subsequent February 14, 2018 Response, Fontbonne concurred with the finding. It stated the Title IV, HEA Pell Grant funds awarded to Students #13 and #16 were errors of the staff member reviewing the institution's Pell Census enrollment documentation, and the awarding error for Student #46 was due to the institution's transition in software systems. Fontbonne also submitted updated policies and procedures for its Title IV, HEA Pell Grant awarding processes.

Fontbonne is liable for **$724** in Title IV, HEA Pell Grant funds as a result of the incorrect Title IV, HEA Pell Grant awards for Students #13 and #46. The total COF due to the Department is **$14** ($13.88 *rounded*), as shown in the COF calculation found in Appendix G. No liabilities will be assessed for Student #16 as the institution under-awarded the student.

Finding 4: Failure to Return Undeliverable Title IV, HEA Credit Balance to Title IV, HEA Programs

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

If an institution attempts to disburse the funds by check and the check is not cashed, the institution must return the funds no later than 240 days after the date it issued that check. If a check is returned to the institution, or an Electronic Funds Transfer (EFT) is rejected, the institution may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. However, no later than the 240-day period described above, the institution must cease any additional disbursement attempts and immediately return the funds.
34 C.F.R. § 668.164(l) and *2016-17 Federal Student Aid Handbook, Vol. 4, Chap. 2, pg. 4-52 and 4-53*

During the onsite portion of the review, Fontbonne's accounting staff stated they were unaware of the requirement to monitor outstanding Title IV, HEA credit balances. The institution's accounting staff further stated the institution monitored outstanding checks, but failed to return the outstanding Title IV, HEA funds to the Department after 240 days lapsed after Title IV, HEA credit balance check issuance and the checks remained un-negotiate. The institution identified five Title IV, HEA credit balance checks which remained un-negotiated for over 240 days.

Directives from the PRR: The Department required Fontbonne to identify all Title IV, HEA credit balances that remained un-negotiated by a student (or parent, in the case of PLUS Loan funds) for over 240 days that the institution failed to return to the Department within the prescribed time frame, including any Title IV, HEA funds that were allowed to escheat to the state. Fontbonne was required to submit a report with the results of this file review. The institution was also required to develop and implement procedures for monitoring Title IV, HEA credit balances to ensure that all unpayable Title IV, HEA credit balances are returned to the Department within the require time frames.

Analysis of Liability Determination: In its July 27, 2017 Response, Fontbonne concurred with the finding, and provided a spreadsheet detailing the Title IV, HEA credit balances that remained outstanding for over 240 days. The institution also submitted updated policies and procedures stating it will review outstanding Title IV, HEA credit balances each month, and contact the recipients to inquire about receipt of the funds and if a different disbursement method is necessary.

As stated in the PRR, while reviewers were on-site Fontbonne identified five Title IV, HEA credit balances which remained un-negotiated for over 240 days. No additional Title IV, HEA credit balances were identified in the required file review. Fontbonne must return **$10,063** ($4 in Title IV, HEA Direct Unsubsidized Loan funds and $10,059 in Title IV, HEA Direct PLUS Loan funds) not previously returned to the Department. Fontbonne is also responsible for the COF associated with the un-negotiated Title IV, HEA fund credit balances. The total COF liability due to the Department for the un-negotiated Title IV, HEA Direct Loan funds is **$104**. The COF worksheet explaining these liabilities is included as Appendix G. Fontbonne must notify all students and/or borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments.

Finding 5: Failure to Resolve Conflicting Information/Verification Incomplete

Summary of Noncompliance: To participate in the Title IV, HEA programs, an institution enters into a participation agreement with the Secretary which requires that the institution develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for federal student aid, as well as resolving any conflicting information that presents itself regarding that application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3) adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's Institutional Student Information Record (ISIR). An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. § 668.16(f), 668.24(c)(1)(i), 668.56, and the *2015-16 Federal Student Aid Handbook Application and Verification Guide*

For students who are selected for verification and receiving subsidized student aid, changes that result to any non-dollar item and to any dollar item of $25 or more must be submitted for processing. See the section on changes to a selected applicant's FAFSA. *2015-16 Federal Student Aid Handbook Application and Verification Guide, AVG-88*

If an institution has obtained all necessary verification documents from the student, and all of the student's information is correct and there are no outstanding issues or conflicting information, the institution may award and disburse aid for which the student is eligible. However, an institution may not disburse aid to a student until it has resolved conflicting information, which the institution must do for any student as long as they are at the institution even if the conflict concerns a previous award year. The institution has resolved the matter when it has determined which data are correct. The institution must document its findings and must explain, not simply assert, why its decision is justified. *2015-16 Federal Student Aid Handbook Application and Verification Guide, AVG-92 and AVG-124*

If the institution questions the accuracy of the number of family household members enrolled in eligible postsecondary institutions, the institution must obtain a statement from each institution named by the student on the verification worksheet to determine if each individual is, or will be attending, the institution on at least a half-time basis. 34 C.F.R. § 668.57(c)(2).

Fontbonne failed to properly complete the required verification for Student #40, who was selected for V1 verification for the 2015-16 award year. While on-site the institution provided a written explanation to the program reviewers stating that the student's verification requirement had been inadvertently overlooked during a transition in software systems.

Directives from the PRR: The Department required Fontbonne to resolve the verification deficiencies of Student #40, and perform a hand calculation of the student's EFC if the resolution of the issue involved changes to the student's EFC. The institution was required to adjust the student's Title IV, HEA program eligibility accordingly if the student's EFC changed, or return all Title IV, HEA program funds disbursed to the student during the 2015-16 award year if it was unable to complete verification for the student.

Analysis of Liability Determination: In its July 27, 2017 Response, Fontbonne concurred with this finding. As stated in the PRR, while reviewers were on-site the institution provided a written explanation stating that the student's verification requirement had be inadvertently overlooked during a transition in software systems. The institution was able to contact Student #40, and she provided a signed 2015-16 Verification Worksheet; the student utilized the IRS Data Retrieval Tool to import her tax information into her 2015-16 ISIR. Since the information on the student's verification worksheet matched the information provided on the student's ISIR Fontbonne did not complete an EFC hand calculation. Additionally, Fontbonne submitted updated policies and procedures to include additional tracking methods for students who are selected for verification.

After reviewing the documentation Fontbonne submitted for Student #40, the Department contacted the institution on February 13, 2018 to inquire about the individuals listed in the student's household size as it created conflicting information. The student listed herself, a "friend", and her "godson" in her household, and noted that she and her friend would be enrolled at least half-time during the 2015-16 award year. Fontbonne did not submit any documentation verifying that the student was providing at least 50% of the support for the friend and godson. In its February 14, 2018 Response, Fontbonne stated that its verification policy does not require students to submit additional documentation or proof of support when listing people in the household beyond family members. Further, Fontbonne specified, "...the information the student puts on the form is what we take and trust the information the student submits is truthful and accurate. We have a statement where the student signs that says, 'Each person signing this form certifies all of the information reported is complete and correct.'" The institution did not present any further documentation regarding the student's 2015-16 verification.

The institution followed its policies in completing Student #40's verification; however, it failed to resolve the conflicting information regarding the student's household size and number in college. Since Fontbonne failed to collect further documentation to prove the student was providing at least 50% of the support for the two additional household members listed, it failed to correctly complete the student's 2015-16 verification. The Department completed an EFC hand calculation for Student #40 using the "Independent Student Without Dependent(s) Other than a Spouse" EFC worksheet, and including only one in the household and college, which resulted in an EFC of 6,789 for the 2015-16 award year. Based on this calculation the student was not eligible to receive Title IV, HEA Pell Grant funds in the 2015-16 award year.

Fontbonne is liable for the **$1,444** in Title IV, HEA Pell Grant funds improperly disbursed as a result of its failure to resolve the conflicting information for Student #40. The total COF due to the Department is **$19** ($18.91 *rounded*), as shown in the COF calculation found in Appendix G. Additionally, Fontbonne is reminded that relying on students to read and understand its policies and definitions when filling out documents does not absolve the institution of its responsibility to further investigate and determine which data is correct when resolving conflicting information and ensuring that Title IV, HEA program funds are properly calculated and awarded.

Finding 7: Failure to Reimburse Title IV, HEA Perkins Loan Account

Summary of Noncompliance: To participate in the Title IV, HEA Perkins Loan program, an institution enters into a participation agreement with the Secretary which requires that the institution uses the funds it receives solely for the purposes specified in accordance with 34 C.F.R. § 668.163. 34 C.F.R. § 674.8(b).

A school that participates in the Title IV, HEA Perkins Loan Program must always maintain an interest-bearing account or an investment account for Title IV, HEA Perkins Loan funds. A school may deduct any bank or service charges incurred as a result of maintaining the fund assets in an interest-bearing account from the interest earned, and deposit only the net earnings. *2016-17 Federal Student Aid Handbook, Vol. 4, Chap. 1, pg. 4-16, see also* 34 C.F.R. § 674.19(a) and (b)

Fontbonne's Title IV, HEA Perkins loan funds are kept in an interest-bearing account that is labeled as a federal account. Fontbonne's Title IV, HEA Perkins Loan bank account also has monthly service charges assessed. The institution failed to reimburse the account for service charges that exceeded the interest accrued on the account.

Directives from the PRR: The Department required Fontbonne to evaluate its Title IV, HEA Perkins Loan account to determine if the amount of service charges assessed exceeded the interest earned during the 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17 award years. Additionally, the institution was required to update its accounting policies and procedures to ensure that Fontbonne reviews, on a monthly basis, any assessed service charges that exceed the interest accrued and appropriately reimbursed its Title IV, HEA Perkins Loan bank account for these fees, if any exist.

Analysis of Liability Determination: In its July 27, 2017 Response, Fontbonne concurred with the finding, and provided a spreadsheet detailing the monthly amount of service charges assessed and interest earned on its Title IV, HEA Perkins Loan account from its fiscal year 2013 (July 2012 – June 2013) through fiscal year 2017 (July 2016 – June 2017). During the five cited fiscal years, Fontbonne accrued $873.30 in interest and was assessed $5,012.59 in service charges on this account. Fontbonne failed to reimburse the account for the $4,139.29 in service charges in excess of the interest accrued on the account. Fontbonne also submitted updated policies and procedures stating that the institution implemented, as part of its monthly reconciliation process, a review of any bank fees and services charges that exceed the monthly interest that accrued.

Fontbonne is liable for the **$4,139** (4,139.29, *rounded*) in services charges it failed to reimburse to its Title IV, HEA Perkins Loan account, and must pay this amount to its institutional Title IV, HEA Perkins Loan account. Further instructions for repaying these funds are included in Section II of the Payment Instructions.

D. Summary of Liabilities

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

Established Liabilities				
Liabilities	Pell (Closed Award Year)	DL	Perkins	
Finding 2	$ 1	$11,453	$ 176	
Finding 3	$ 724	N/A	N/A	
Finding 4	N/A	$10,063	N/A	
Finding 5	$1,444	N/A	N/A	
Finding 7	N/A	N/A	$4,139	
Subtotal	$2,169	$21,516	$4,315	
Interest/SA	$ 35	$ 284	$ 2	
TOTAL	$2,204	$21,800	$4,317	
Payable To:				**Totals**
Department	$2,204	$21,800	$ 0	$24,004
Inst Accounts			$4,317	$ 4,317

E. Payment Instructions

The total amount owed as a result of this program review is $28,321 and must be paid back in accordance with the instructions set forth in the following sections:

Section I. Liabilities Owed to the Department ($24,004). Additional Instructions by Title IV program are provided in Subpart A - Instructions by Title IV Program (A1 and A2) of this section.

Section II. Liabilities Owed to Institutional Accounts ($4,317)

Section I. Liabilities Owed to the Department

Fontbonne owes to the Department $28,301. 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 Subpart A – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if applicable).**

The following identification data must be provided with the payment:

Amount:	$24,004
DUNS:	071976260

TIN: 430694556
Program Review Control Number: 201720729540

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

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

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

A. Instructions by Title IV Program

1. Federal Direct Loan Liabilities Owed to the Department:

Direct Loan Open Award Years

Finding: 2
Appendices: D, F, and G

Fontbonne must repay the following Direct Loan liabilities:

DL Open Award Year		
Amount (Principal)	Amount (Interest)	Award Year
$3,919	$63	2016-17
Total Principal	Total Interest	
$3,919	$63	

The 2016-17 award year will remain open for adjustments until July 31, 2018. The disbursement record for each student identified in the appendices listed above must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the/these appendix/appendices. A copy of the adjustment to each student's COD record must be sent to Jenny Armontrout **within 45 days of the date of this letter**.

Adjustments in COD must be completed <u>prior to remitting payment to the Department</u>. 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.

Direct Loan Closed Award Years (Request Extended Processing)

Findings: 2 and 4
Appendices: D, E, F, and G

Fontbonne must repay the following Direct Loan liabilities:

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
$17,597	$221	2015-16
Total Principal	Total Interest	
$17,597	$221	

The disbursement record for each student identified in the appendices listed above must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the/these appendix/appendices. A copy of the adjustment to each student's COD record must be sent to Jenny Armontrout **within 45 days of the date of this letter**.

The funds will be returned to the applicable G5 award for the applicable Title IV program.

Request Extended Processing

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

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

2. Title IV Grants Liabilities Owed to the Department

Pell – Closed Award Year

Findings: 2, 3, and 5
Appendices: A1, A2, A3, A4, D, and G

Fontbonne must repay:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$2,169	$33	Pell	2015-16
N/A	$ 2	Pell	2016-17
Total Principal	Total Interest		
$2,169	$35		

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

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, 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 Jenny Armontrout **within 45 days of the date of this letter**.

Section II – Liabilities owed to Institutional Accounts

Findings: 2 and 7
Appendices: D, E, F, and G

Fontbonne must deposit $4,317 ($176 from ineligible loan disbursements, $2 in assessed interest, and $4,139 for reimbursement of bank charges) in its Federal Perkins Loan Revolving Fund. The National Student Loan Data System (NSLDS) must also be corrected for each borrower to reflect the new reduced or cancelled Perkins Loan amount.

As a result of the ineligible disbursements and the resulting excess interest paid by the students, Fontbonne, in addition to making the required deposit noted above, must complete the payment process for the ineligible loans disbursements totaling $176, by crediting each borrower's Perkins loan for the amount identified in Appendices D and G.

Fontbonne must submit the following **within 45 days of the date of this letter** to Jenny Armontrout:

- a copy of the front and back of the cancelled check(s), or copies of an electronic transfer of funds, to verify that the payment has been made to the Federal Perkins Loan account
- documentation that the individual NSLDS loan records have been updated
- documentation that the student(s) Perkins loan account at the school has also been properly credited, as applicable

Appendix B: Copy of the PRR

Prepared for

Fontbonne University

Federal Student Aid — An OFFICE of the U.S. DEPARTMENT of EDUCATION | PROUD SPONSOR of the AMERICAN MIND™

OPE ID 00246400
PRCN 201720729540

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

Program Review Report

May 31, 2017

U.S. Department of Education, Federal Student Aid, School Participation Division– Kansas City
One Petticoat Ln, 1010 Walnut, Suite 336, Kansas City, MO 64106
www.StudentAid.gov

Table of Contents

A. Institutional Information

Fontbonne University
6800 Wydown Blvd.
St. Louis, MO 63105-3043

Type: private nonprofit

Highest Level of Offering: Master's Degree or Doctorate

Accrediting Agency: North Central Association of Colleges and Schools - CIHE (Higher Education)

Current Student Enrollment: 2,135 (2015-16)

% of Students Receiving Title IV: 61.5% (2015-16)

Title IV Participation (G5):

	2015-2016
Federal Pell Grant	$ 1,612,319
Federal Supplement Education Opportunity Grant (FSEOG)	$ 77,223
Federal Work-Study (FWS)	$ 138,303
Federal Teacher Education Assistance for College and Higher Education (TEACH)	$ 30,929
Federal Perkins Loans(Perkins)	$ 148,806
Federal Direct Loans (DL)	$13,293,743

Default Rate DL:	2013	7.4%
	2012	6.1%
	2011	8.1%
Default Rate Perkins:	2015	18.5%
	2014	19.3%
	2013	22.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Fontbonne University (Fontbonne) from February 13 through February 17, 2017.

The focus of the review was distance education. The review consisted of an examination of Fontbonne's distance education programs. Fontbonne offers both on-campus and distance education programs; 26 of the student files reviewed were distance education students. The review consisted of, but was not limited to, an examination of Fontbonne's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and distance education courses and interaction.

A sample of 30 files was identified for review from the 2015-16 and 2016-17 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 9 files were selected based on students who withdrew and had a Return of Title IV funds (Return) calculation performed, 6 files were selected based on students who were selected for verification and enrolled in distance education courses, and 1 file was identified prior to the review for exceeding Title IV, HEA Pell "Lifetime Eligibility Used" (LEU). Appendix A identifies the sample of 30 students whose files were examined during the program review, Appendix B identifies the sample of students reviewed for Return calculations, Appendix C identifies the sample of students reviewed for verification and distance education, and Appendix D identifies the student with the Title IV, HEA Pell LEU violation.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Fontbonne'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 Fontbonne 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 Fontbonne to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Return to Title IV Policy Not Developed/Inadequate

Citation: All institutions participating in Title IV, HEA student financial aid programs must make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information about:

- The institution's refund policy;
- Requirements and procedures for official withdrawal; and
- Requirements for return of Title IV, HEA grant or loan aid.

HEA Sec. 485(a)(1)-(2); 34 C.F.R. §668.41(a)-(d); 34 C.F.R. §668.43

A school should provide sufficient information for a student or prospective student to be able to determine the procedures for withdrawing and the financial consequences of doing so. In addition, a student should be able to estimate how much federal student aid he or she will retain and how much he or she may have to return upon withdrawing. Because the Return provisions do not affect institutional refund policies, a school must provide a student with information on both the school's refund policy and the federal Return requirements, and explain the interaction between the two. The information should include a discussion of how a school might adjust a student's charges to take into account any Return of FSA funds the school might be required to make. Finally, a student or prospective student should be informed that if he or she withdraws, school charges that were previously paid by FSA funds might become a debt that the student would be responsible for paying.

As a part of the institution's disclosure of the procedures for officially withdrawing, the school must identify the office or offices that it has designated to accept notification of official withdrawals.
2016-17 Federal Student Aid Handbook, Vol. 5, Chap. 1, pg. 5-7

An institution is required to take attendance if—

(A) An outside entity (such as the institution's accrediting agency or a State agency) has a requirement that the institution take attendance;

(B) The institution itself has a requirement that its instructors take attendance; or

(C) The institution or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including, but not limited to, requiring that students in a program demonstrate attendance in the classes of that program, or a portion of that program. *34 C.F.R. §668.22 (b)(3)(i)*

A school is required to take attendance not only when it is required to take attendance by an outside entity (such as the school's accrediting agency or a state agency) that has a requirement that the school take attendance, but also when:

- the school itself has a requirement that its instructors take attendance, or
- the school or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including but not limited to requiring that students in a program demonstrate attendance in the classes of that program or a portion of that program.

These regulations describe when a school is considered to be required to take attendance for Title IV purposes; they do not require schools to take attendance. Again, a school is considered to be required to take attendance only when a school either requires the taking of attendance or is required by an outside entity to take attendance. A requirement that a student self-certify attendance directly to an outside entity does not make a school one that is required to take attendance. For example, a Veterans' Administration requirement that benefit recipients self-report attendance would not result in a school requirement to take attendance of those students unless the school is required to verify the student's self-certification.

If a school does not require faculty to take attendance but a faculty member chooses to take attendance, then the school is not considered a school required to take attendance. If, however, a school requires its faculty to take attendance, whether at the program, department, or institutional level, then those attendance records must be used by the school in determining a student's date of withdrawal. Schools that do not require the taking of attendance and are not required to take attendance by an outside entity are not prohibited from using individual faculty members' attendance records in determining a student's date of withdrawal. The Department encourages schools to use the best information available in making this determination.

A school is responsible for ensuring that it is in compliance with the requirements for schools that are required to take attendance even if some faculty do not comply with the school's attendance-taking policy. For students enrolled in classes taught by faculty who fail to take attendance, a student's withdrawal date will be the last date of academic attendance from the attendance records taken by the faculty that did take attendance. **If, at a school required to take attendance, no records of a student's academic attendance exist, the student is considered not to have begun attendance for Title IV program purposes and never to have established eligibility for the Title IV program funds**. Title IV program funds received by a student who failed to establish eligibility

must be handled by the school in accordance with the procedures described previously under *When a student who fails to begin attendance in all the courses he or she was scheduled to attend withdraws.*
2016-17 Federal Student Aid Handbook, Vol. 5, Chap. 1, pg. 5-47 and 5-48

Noncompliance: Fontbonne's Return policy has several issues that make it non-compliant. First, Fontbonne is not required by an outside entity to take attendance, but does require its faculty to take attendance. Fontbonne officials contended that the policies were meant to require faculty to take attendance at some point during the validation period of each term/course, and that all instructors are "highly encouraged" to take attendance. However, after reviewing the policies the Department finds that though faculty are required to take attendance during this period Fontbonne had policies in place requiring attendance for the entire term. This requirement is listed throughout Fontbonne's published policies and procedures; the following are Fontbonne's published statements regarding this requirement:

- **2014-2016 and 2016-2018 Fontbonne University Undergraduate & Graduate Academic Catalog, pg. 60**
  The instructor must have a daily record of each student's attendance so as to be able to record the true last date of attendance if the student stops attending the course. The last date of attendance as recorded by the instructor may have financial aid implications for the student.

- **2014-2016 and 2016-2018 Fontbonne University Undergraduate & Graduate Academic Catalog, pg. 61**
  Faculty Unannounced Absence/Lateness for Class – An instructor is encouraged to note the following policy on the course syllabus…one student in the class will assume responsibility for starting a dated attendance record for student signatures and for seeing that the attendance record is submitted to the registrar's office immediately following the students leaving the classroom.

  Undergraduate Withdrawal from a Course – For financial aid purposes, the instructor must be able to provide the last date of attendance when a student stops attending or petitions to withdraw from a course.

- **2014-2016 and 2016-2018 Fontbonne University Undergraduate & Graduate Academic Catalog, pg. 239**
  Graduate Withdrawal from a Course – For financial aid purposes, the instructor must be able to provide the last date of attendance when a student stops attending or petitions to withdraw from a course.

- **Policies & Procedure Manual, pg. 104**
  Return of Title IV, HEA funds
  Regardless of the circumstances of withdrawal from the college:

1) a withdrawal form, initiated either by the student or by the College, is filled out and documents the last date of class attendance (either as advised by the student or as determined by the College through contact with the student's professors)
2) the date of withdrawal is considered to be the last date of class attendance

Fontbonne requires attendance to be taken, but doesn't always use recorded LDAs when processing Return calculations. Fontbonne also fails to identify and process unofficial withdrawals until the end of each term. Fontbonne's current withdrawal policy does not inform students that their LDA will be used to calculate their Return should they withdraw from or stop attending the institution. This issue is addressed further in Finding 2.

Fontbonne's Return to Title IV policy also lacks the following required elements:

1) Procedures for officially withdrawing;
2) Process the institution uses to determine the student's withdrawal date;
3) Whether a student who failed to earn a passing grade in any class completed or withdrew;
4) The time frame for returning Title IV, HEA funds; and
5) That Title IV, HEA funds may not cover all unpaid institutional charges due to the institution upon the student's withdrawal.

Fontbonne does have withdrawal procedures published in its Undergraduate and Graduate Catalog, but these policies and procedures are not included in the Return policy posted as part of the institution's consumer information.

Required Action: In response to this report, Fontbonne must revise its Return of Title IV Funds policy to include the incorrect, missing, or incomplete policy statements noted above. Since Fontbonne is not required to take attendance by an outside entity it may choose to change its attendance policy going forward. A written summary of its choice regarding the attendance issue, along with a copy of the revised policies and procedures should accompany Fontbonne's response to this report.

Finding 2: Improper Return of Title IV Funds Calculation

Citation: When a recipient of Title IV, HEA funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must perform a Return of Title IV Funds calculation to determine the amount of Title IV, HEA grant or loan assistance the student earned as of the student's withdrawal date. The calculation should incorporate all of the elements of a Return of Title IV Funds calculation identified in pertinent Federal regulations.
34 C.F.R. §668.22(a)

An institution is required to take attendance if—

(D) An outside entity (such as the institution's accrediting agency or a State agency) has a requirement that the institution take attendance;

(E) The institution itself has a requirement that its instructors take attendance; or

(F) The institution or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including, but not limited to, requiring that students in a program demonstrate attendance in the classes of that program, or a portion of that program. *34 C.F.R. §668.22 (b)(3)(i)*

Institutions that are required to take attendance are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days (less if the school has a policy requiring determination in fewer than 14 days) after the student's last date of attendance as determined by the institution from its attendance records. If a student provides notification to the school of his or her withdrawal prior to the date that the school normally would determine that the student withdrew, the date of determination is the date of the student's notification. The school is NOT required to administratively withdraw a student who has been absent for 14 days (or less if applicable). However, after 14 days, it is expected to have determined whether the student intends to return to classes or to withdraw. If the student is eventually determined to be a withdrawal, the end of the 14-day period begins the time frame for completing a Return of Title IV Funds calculation. *2015-16 Federal Student Aid Handbook, Vol. 5, Chap. 1, pg. 5-22*

If the total amount of title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is greater than the total amount of title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement in accordance with paragraph (a)(6) of this section and §668.164(g).

A post-withdrawal disbursement must be made from available grant funds before available loan funds. If outstanding charges exist on the student's account, the institution may credit the student's account up to the amount of outstanding charges with all or a portion of any—

(*1*) Grant funds that make up the post-withdrawal disbursement in accordance with §668.164(d)(1) and (d)(2); and

(*2*) Loan funds that make up the post-withdrawal disbursement in accordance with §668.164(d)(1), (d)(2), and (d)(3) only after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed in accordance with paragraph (a)(6)(iii) of this section.

The institution must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew, as defined in paragraph (l)(3) of this section. The institution must offer to disburse directly to a student, or parent in the case of a parent PLUS loan, any amount of a post-withdrawal disbursement of loan funds that is not credited to the student's account, in accordance with paragraph (a)(6)(iii) of this section. The institution must make a direct disbursement of any loan funds that make up the post-withdrawal disbursement only after obtaining the student's, or parent's in the case of a parent PLUS loan, confirmation that the student or parent still wishes to have the loan funds disbursed in accordance with paragraph (a)(6)(iii) of this section.

The institution must provide within 30 days of the date of the institution's determination that the student withdrew, as defined in paragraph (l)(3) of this section, a written notification to the student, or parent in the case of parent PLUS loan, that—

(*1*) Requests confirmation of any post-withdrawal disbursement of loan funds that the institution wishes to credit to the student's account in accordance with paragraph (a)(6)(ii)(A)(*2*) of this section, identifying the type and amount of those loan funds and explaining that a student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;

(*2*) Requests confirmation of any post-withdrawal disbursement of loan funds that the student, or parent in the case of a parent PLUS loan, can receive as a direct disbursement, identifying the type and amount of these title IV funds and explaining that the student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;

(*3*) Explains that a student, or parent in the case of a parent PLUS loan, who does not confirm that a post-withdrawal disbursement of loan funds may be credited to the student's account may not receive any of those loan funds as a direct disbursement unless the institution concurs;

(*4*) Explains the obligation of the student, or parent in the case of a parent PLUS loan, to repay any loan funds he or she chooses to have disbursed; and

(*5*) Advises the student, or parent in the case of a parent PLUS loan, that no post-withdrawal disbursement of loan funds will be made, unless the institution chooses to make a post-withdrawal disbursement based on a late response in accordance with paragraph (a)(6)(iii)(C) of this section, if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that the institution sent the notification, or a later deadline set by the institution.

34 C.F.R. § 668.22(a)(5-6)

Regulations additionally define "institutional charges" as tuition, fees, room and board (if the student contracts with the institution for the room and board) and other educationally-related expenses assessed by the institution. *34 C.F.R. § 668.22(g)(2)*

The institutional charges used in a Return calculation are the charges that were initially assessed a student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, after a student withdraws, the institution changes the amount of institutional charges it is assessing a student, or decides to eliminate all institutional charges, those changes affect neither the charges nor aid earned in the calculation. *2016-17 Federal Student Aid Handbook, Vol. 5, Chap. 1, pg. 5-15*

Noncompliance: Fontbonne is not required by an outside entity to take attendance, but does require its faculty to take attendance. Fontbonne requires attendance to be taken, but doesn't always use the recorded last date of attendance (LDA) when processing Return calculations. Fontbonne also fails to identify and process unofficial withdrawals until the end of each term. This failure to identify students who unofficially withdrew within 14 days of their LDA also caused Fontbonne to exceed the 45 days requirement for returning unearned Title IV, HEA funds. Issues regarding Fontbonne's attendance policy and its effect on the institution's Return policy are addressed in detail in Finding 1, but must be taken into account when processing Return calculations.

Further, Fontbonne made adjustments to some students' tuition and fee charges after the students had withdrawn, and did not include the original charges in these students' Return calculations. Fontbonne improperly calculated Returns, or returned Title IV, HEA funds later than 45 days for the following students:

Student #32: This student unofficially withdrew from the Fall 2015 semester; the student's LDA was 09/14/2015. The student only began attendance in three credit hours for the Fall 2015 semester so Fontbonne recalculated the student's Title IV, HEA Pell grant, and reduced the student Title IV, HEA Pell grant by $722 prior to processing a Return calculation for the student. Fontbonne then processed a Return calculation which required the institution to return $542 in Title IV, HEA Pell grant funds. The institution return $1,263 in Title IV, HEA Pell grant funds on 09/25/2015; however, Fontbonne should have return a total of $1264 in Title IV, HEA Pell grant for this student. An additional $1 in Title IV, HEA Pell grant funds needs to be returned to the Department.

Student #33: This student officially withdrew from the Spring 2016 semester on 03/06/2016; the student's LDA was 02/11/2016. The institution did not determine the student stopped attending until the student submitted notification on 03/06/2016, more than 14 days after the student's LDA, and produced no documentation to demonstrate it had been in contact with the student prior to the date of determination. The student only began attendance in 11 credit hours for the Spring 2016 semester. However, when Fontbonne recalculated the student's Title IV, HEA Pell grant, prior to processing a Return calculation for the student, the institution reduced the student's Title IV, HEA Pell grant to $931, a half-time award. Fontbonne should have reduced the student's Title IV, HEA Pell grant to $1,397. The institution then processed a Return calculation which required Fontbonne to offer the student a post-withdrawal disbursement (PWD) of her Title IV, HEA Direct loan funds. Fontbonne did not provide any documentation to demonstrate that it had offered the student PWD, and returned $466 more in Title IV, HEA Pell grant funds than required. Additionally, the institution posted the returned funds on the student's account as of 03/28/2016; however, the funds were not actually returned to the Department until 05/18/2016, 38 days late.

Student #34: This student was enrolled in online courses, and unofficially withdrew from the Spring 2016 semester, with a LDA of 03/07/2016. Fontbonne processed a correct Return calculation for this student, but returned the "unearned Title IV aid" amount ($3,385), instead of the lesser amount of the "unearned charges" ($1,532). Fontbonne should have returned $1,532 of the student's Title IV, HEA Direct Unsubsidized loan to the Department. Since Fontbonne returned more Title IV, HEA funds than required, no further liabilities will be assessed.

Student #35: This student officially withdrew from the Fall 2015 semester on 10/22/2015; the student's LDA was 10/20/2015. Fontbonne processed a correct Return calculation for this student, but returned the "unearned Title IV aid" amount ($2,955), instead of the lesser amount of the "unearned charges" ($2,741). Fontbonne should have returned $2,741 of the student's Title IV, HEA Direct Unsubsidized loan to the Department. Since Fontbonne returned more Title IV, HEA funds than required, no further liabilities will be assessed.

Student #36: This student unofficially withdrew from the Fall 2016 semester; the student's LDA was 09/24/2016. The institution did not determine the student stopped attending until the 12/12/2016, more than 14 days after the student's LDA. The institution should have determined the student's withdrawal no later than 10/08/2016, and produced no documentation to demonstrate it had been in contact with the student prior to the date of determination. The student only began attendance in five credit hours for the Fall 2016 semester so Fontbonne recalculated the student's Title IV, HEA Pell grant, and reduced the student Title IV, HEA Pell grant by $634 prior to processing a Return calculation for the student. Fontbonne then processed a Return calculation for this student using the 50% point of the payment period and incorrect institutional charges. Since Fontbonne has an attendance policy it should have used the student's LDA not the mid-point of the payment period. The student's institutional charges for the Fall 2016 semester were $5,418; however, Fontbonne processed a Return for the student using $3,385 in institutional charges.

The Department performed a Return calculation using the student's LDA and the correct institutional charge amount of $5,418, and found that Fontbonne should have used the unearned institution charge amount, $3,452, as the amount of funds to be returned by the school. Fontbonne returned $3,409 of the student's Title IV, HEA Direct Unsubsidized loan on 01/24/2017, 79 days late, but should have returned $3,452. Fontbonne needs to return an additional $43 of Title IV, HEA Direct Unsubsidized Loan for this student.

Student #37: This student unofficially withdrew from the Fall 2016 semester; the student's LDA was 09/24/2016. The institution did not determine the student stopped attending until the 01/09/2017, more than 14 days after the student's LDA, the institution should have determined the student's withdrawal no later than 10/08/2016, and produced no documentation to demonstrate it had been in contact with the student prior to the date of determination. Fontbonne processed a Return calculation for this student using the 50% point of the payment period; however, since Fontbonne has an attendance policy it should have used the student's LDA not the mid-point of the payment period. The Department performed a Return calculation using the student's LDA, and found that Fontbonne should have returned $990 in Title IV, HEA Direct Unsubsidized loan and $1,375 in Title IV, HEA Direct Subsidized loan. Fontbonne returned $990 of the student's Title IV, HEA Direct Unsubsidized loan and $866 of the Title IV, HEA Direct Subsidized loan on 01/17/2017, 57 days late. Fontbonne needs to return an additional $509 of Title IV, HEA Direct Subsidized loan for this student.

This issue was also reported in Fontbonne's yearly compliance audit (FYE 06/30/2016).

Required Action: Fontbonne must provide comprehensive information for all students who received Title IV, HEA program funds, and withdrew during the 2015-16 and 2016-17 award years. The institution must identify, review, and report on the files of all Title IV, HEA program fund recipients for whom a Return calculation should have been performed in these award years. For Returns determined to be improperly calculated and Returns that should have been calculated but were not, Fontbonne must perform a correct calculation or recalculation.

The materials the institution must submit include:

(1) A spreadsheet that contains, for each Title IV, HEA program funds recipient who officially or unofficially withdrew in the 2015-16 and 2016-17 award years, the following information:

(a) Award Year;
(b) Student's name;
(c) Student's SSN number;
(d) Student's program type (on-campus or online);
(e) Award Year EFC;
(f) Total original hours enrolled in for semester;
(g) Final hours student attended for semester;
(h) Student's last date of attendance;
(i) Student's withdrawal date, if applicable:
(j) Institution's date of determination;
(k) Original Pell award for term;
(l) Recalculated Pell award;
(m) The date that the Return was calculated, if applicable;

(n) The amount of Title IV, HEA funds returned, if applicable (organized by Title IV program);
(o) The date(s) the Return(s) were made, if applicable (organized by Title IV program);
(p) Amount of Post-withdrawal Disbursement (PWD), if applicable;
(q) Title IV program from which PWD was made;
(r) Date PWD was paid;

The spreadsheet must be organized by **award year**, and then by **individual student**. The spreadsheets must be compiled in an Excel spreadsheet program and submitted either via e-mail or in CD-ROM format in the following manner:

Award year	Student	SSN	Award Year EFC	Total original hours enrolled in for semester	Final hours student attended for semester	Last date of attendance	Withdrawal date, if applicable	Institution's date of determination
2015-16	Doe, John	****	412	12	4	06/20/15	06/20/15	06/20/15
2016-17	Dere, Jane	****	2251	12	12	11/14/16	11/14/16	11/28/16

Original Pell award for term	Recalculated Pell award	The date that the Return was calculated, if applicable	Amount of return, if applicable	Title IV program	Date of Return	Amount of PWD, if applicable	PWD program	Date PWD was paid
$2,550	$1,275	06/23/15	$2,000	DL Unsub	06/30/15	N/A	N/A	N/A
$1,650	$1,238	12/03/16	$1,356	DL Sub	02/13/17	N/A	N/A	N/A

(2) A copy of all pertinent student account cards for the Returns identified above. The account card should reflect the disbursements included in the Return calculation as well as the return of the Title IV funds, if applicable;

(3) Legible copies of all audit trail documentation (i.e. wire transfer records on bank statements, institutional drawdown and refund reports, screen prints of Common Origination and Disbursement [COD] screens with pertinent detail information) to support the return of the funds to the Title IV, HEA program accounts. The documentation must clearly identify the amount of the Return for the individual in question. If a Return was repaid to the Title IV, HEA programs by check, then a legible copy of the cancelled check, front and back, must be submitted;

(4) Pertinent attendance records supporting Fontbonne's determination of the student's last date of attendance. This may include a copy of the student's official withdrawal form (or another official withdrawal document) with the official date of withdrawal annotated, if applicable. If any students attended modules, documentation of the module dates should also be included;

(5) In cases where a PWD was calculated, copies of all supporting documentation establishing that the PWD of Title IV loan funds was offered to the student or parent, and the student or parent's response to that offer. In cases where no such documentation is available, Fontbonne must provide documentation indicating that the student, or parent in the case of a PLUS loan, was notified that a PWD was made on their behalf, the amount of the disbursement, and the date that it occurred;

(6) In the case of unearned aid that is required to be returned by a student, copies of all supporting documentation establishing that Fontbonne contacted the student and made appropriate repayment arrangements, as outlined in federal regulations.

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

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

Finding 3: Incorrect Awarding of Title IV, HEA Pell Grant Funds

Citation: Federal regulations state that the amount of a student's Federal Pell Grant for an academic year is based on the payment and disbursement schedules published by the Secretary for each award year. The Federal Pell Grant for a payment period, e.g., an academic term, for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters are calculated by (1) determining the student's enrollment status for the term, (2) based on that enrollment status, determining the student's annual award from the Federal Pell Grant Payment Schedule for full-time students or the disbursement schedule for three-trimester-time, half-time, or less-than-half-time students, and (3) dividing the amount by two at institutions using semesters or trimester or three at institutions using trimesters or the number of terms over which the institution chooses to distribute the student's annual award. *34 C.F.R. §§ 690.62* and *690.63*

The Consolidated Appropriations Act, 2012 (Public Law 112-74) was enacted on December 23, 2011. The new law, as discussed in GEN 12-01, impacts the Federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Specifically, Public Law 112-74 amended HEA section 401(c)(5) to reduce the duration of a student's eligibility to receive a Federal Pell Grant from 18 semesters (or its equivalent) to 12 semesters (or its equivalent) effective with the 2012-2013 award year. This change in the duration of students' Federal Pell Grant eligibility encompasses all students who have received Federal Pell Grant funds during their postsecondary years, including students who received funds from 1973 to present. The 12 semester equivalency is calculated by adding the annual percentages of a student's scheduled award that was disbursed together. When a student has received the equivalent of 12 semesters (600%), the student has reached their Federal Pell Grant funds eligibility maximum; thus, no further Pell Grant funds can be disbursed.

Per the Consolidated Appropriations Act of 2012 (CAA), a student's maximum duration of Pell eligibility is 6 Scheduled Awards, as measured by the percentage of "Lifetime Eligibility Used" (LEU) field in COD (one Scheduled Award equals 100% LEU). A separate maximum of 600% LEU also applies to Iraq & Afghanistan Service Grant awards, however, since there are so few of these awards, they are not maintained in COD at this time. A student is ineligible to receive further Pell or Iraq & Afghanistan Service Grant funds if they have reached or exceeded the 600% limit for the applicable program (i.e. Pell or Iraq & Afghanistan Service Grant). For Pell, this limitation is not limited to students who received their first Pell Grant on or after July 1, 2008, as was the previous limit of 9 Scheduled Awards. Instead, it is tracked to the beginning of the program (1973-74).

To aid in identifying students who are approaching their LEU limits, COD has been updated to return warning code 177 or 178 when a student's Pell LEU is near or exceeds 600%. Also, you will be able to see this data in the Common Record Response, and the Central Processing System (CPS) reports Pell Grant LEU limit flags and percentages on SARs and ISIRs. Students' Pell LEU status is also visible in the NSLDS system. COD calculates a student's LEU to 3 decimal places, and you may round awards as described earlier under "Ground rules for Pell," however, you may not round up if that would cause the student to exceed either their Scheduled Award or 600% LEU.

To calculate an award for a student whose LEU level will reduce their eligibility (i.e. an LEU greater than 500% but less than 600%, either code H or C on the Lifetime Limit Flag on the ISIR), first subtract their LEU % from 600%, then multiply the student's Scheduled Award by the resulting percentage. For example, Jack has 534% LEU on his SAR. His school subtracts 534% from 600%, leaving him with 66% of a Scheduled Award remaining. His Scheduled Award for 2016-17 is $5,645, so his school multiplies $5,645 by .66, which equals $3,725. For students whose eligibility is less than a full Scheduled Award, you award the student a Pell or Iraq & Afghanistan Service Grant as you would for a transfer student who received Pell at another school during the same award year. That is, you determine the student's remaining Pell eligibility, as a % of LEU, and then award each payment until that eligibility is used (see the earlier section in this chapter entitled "transfer students").
2016-17 Federal Student Aid Handbook, Vol. 3, Chap. 3, pgs.3-67 and 3-68

Noncompliance: In three instances, Fontbonne incorrectly awarded Title IV, HEA Pell Grant funds for students.

Student #13: This student was enrolled in 10 hours, three-quarter-time, for the Summer 2015 semester. Fontbonne awarded and disbursed a full-time Title IV, HEA Pell grant of $2,888 to the student for this semester; however, the institution should have disbursed $2,166 in Title IV, HEA Pell grant funds. Fontbonne disbursed $722 more in Title IV, HEA Pell grant funds than the student was eligible for in the Summer 2015 semester.

Student #16: This student was enrolled in 6 hours, half-time, for the Summer 2016 semester. Fontbonne awarded and disbursed a less-than-half-time Title IV, HEA Pell grant of $727 to the student for this semester; however, the institution should have disbursed $1,454 in Title IV, HEA Pell grant funds. Fontbonne under-awarded the student by $727 in Title IV, HEA Pell grant funds for in the Summer 2016 semester.

Student #46: Fontbonne awarded this student a Title IV, HEA Pell grant that exceeded the student's Title IV, HEA Pell Grant LEU limitations. This student was identified in the Department's SPS/SAS Data Request which was obtained prior to the on-site visit. The student used 525.0539 percent of her Title IV, HEA Pell grant LEU prior to the 2015-16 award year. The student had 74.9461 percent Pell LEU remaining for the 2015-16 award year, or $4,328. Fontbonne awarded the student $4,330 in Title IV, HEA Pell grant for the 2015-16 award years. Fontbonne overawarded the student by $2; the student's Spring 2016 Title IV, HEA Pell grant disbursement should have been $1,440.

Required Action: Fontbonne must provide an explanation for the incorrect Title IV, HEA Pell grant disbursements cited above, and will be require to return the overawarded Title IV, HEA Pell grant funds to the Department. Instructions for repayment of any liabilities will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Additionally, as part of Fontbonne's response to the PRR, the institution must review its policies and procedures to ensure that Title IV, HEA Pell grant funds are awarded and disbursed correctly in the future. The institution must also review its policies and procedures in relation to the monitoring process for students who are considered to be potential LEU concerns to ensure students are awarded and disbursed Title IV, HEA Pell Grant funds within the applicable limits. A copy of these procedures must accompany Fontbonne's response to the PRR.

Finding 4: Failure to Return Undeliverable Title IV Credit Balance to HEA, Title IV Programs

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

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

- If a check is returned to the institution, or an Electronic Funds Transfer (EFT) is rejected, the institution may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. In cases where the institution does not make another attempt, the funds must be returned before the end of this 45 day period; and
- No later than the 240 day period described above, the institution must cease any additional disbursement attempts and immediately return those funds.

34 C.F.R. § 668.164(l) and 2016-17 Federal Student Aid Handbook, Vol. 4, Chap. 2, pg. 4-52 and 4-53

Noncompliance: During the on-site program review, Fontbonne's Controller, Assistant Controller, and Staff Accountant stated they were unaware of the requirement to monitor outstanding Title IV, HEA credit balance checks. They further stated that the institution was monitoring outstanding checks, but had failed to return the outstanding Title IV, HEA funds to the Department when students failed to negotiate Title IV, HEA credit balance checks after 240 days. The institution identified five Title IV, HEA credit balance checks which remained un-negotiated for over 240 days.

Required Action: Fontbonne must review the institution's account for any undeliverable credit balance checks and identify all Title IV, HEA credit balances that Fontbonne was unable to pay to the student (or parent, in the case of PLUS Loan funds) within 240 days, and that the institution failed to return to the Department within the prescribed time frame, including any Title IV, HEA funds that were allowed to escheat to the state. Fontbonne must compile a report based on this file review, and submit the report with its response. The report must include the following elements:

(1) Award year in which Title IV, HEA credit balance was created;
(2) Student's first name, last name;
(3) Student's Social Security number;
(4) Title IV, HEA program(s), date(s), and disbursement amount(s) causing the credit balance;
(5) Amount of Title IV, HEA credit balance;
(6) Date and check number of Title IV, HEA credit balance check was issued (or electronic transfer was attempted);
(7) Complete and legible copy of student's original account card;
(8) Date funds escheated to the state, as applicable;
(9) Date Title IV, HEA credit balance was paid to student, as applicable.

The file review spreadsheet must also clearly indicate the particular Title IV, HEA program or programs that created a particular Title IV, HEA credit balance. The following abbreviations should be used in the spreadsheet to indicate the various programs: Pell, FSEOG, FWS, Perk, DL Sub, DL Unsub, and DL PLUS. If a particular Title IV, HEA fund credit balance was composed of more than one type of Title IV, HEA program funds, Fontbonne must identify the amounts attributable to each program.

For each student identified in the spreadsheet, Fontbonne must also provide legible copies of the following documents:

(1) Comprehensive student account card;
(2) Legible copy of all checks included in the Title IV, HEA credit balance report.

The Title IV, HEA credit balance file review spreadsheet discussed above should be compiled in an Excel spreadsheet program and submitted in the following manner:

Award year	Student's last name, first name	SSN	Title IV program	Date of disbursement	Amount of disbursement
2014/15	Doe, Jane	*** ** ****	Pell	1/1/15	$1,000.25
2015/16	Doe, Jill	*** ** ****	DL Sub	1/23/16	$2,000.00
2015/16	" " "	" " "	DL Unsub	1/23/16	$3,000.00

Amount of Title IV credit balance	Date credit balance paid to Department, if applicable	Check Number of credit balance outstanding	Amount of credit balance outstanding	Date funds escheated to state
$500.25	3/1/15	12234	$0	n/a
$125.00	n/a	12235	$125.00	n/a
$3,000.00	n/a	12236	$3,000.00	n/a

Additionally, Fontbonne must develop and implement procedures for monitoring Title IV, HEA credit balances to ensure that all unpayable Title IV, HEA credit balances are returned to the Department within the require time frames. A detailed discussion of these revised procedures must accompany Fontbonne's response.

Hard copy and electronic files containing PII must be safeguarded as described in the enclosure to the cover letter of this report. Instructions for repayment of any liabilities will be provided in the FPRD letter. Fontbonne should not attempt to repay any liabilities until the FPRD letter is issued.

Finding 5: Failure to Resolve Conflicting Information/Verification Incomplete

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

Students who are selected for verification will be placed in one of the five following groups. The group determines which FAFSA information must be verified for the student.

Standard Verification Group, Tracking flag V1. Students in this group must verify the following if they are tax filers:

- adjusted gross income
- U.S. income tax paid
- untaxed portions of IRA distributions
- untaxed portions of pensions
- IRA deductions and payments
- tax-exempt interest income
- education credits
- household size

Child Support Paid Verification Group, Tracking flag V3. Students must verify child support paid by them or their spouse, their parents, or both.

Custom Verification Group, Tracking flag V4. Students must verify high school completion status and identity/statement of educational purpose in addition to receipt of SNAP benefits and payment of child support.

Aggregate Verification Group, Tracking flag V5. Students must verify high school completion status and identity/statement of educational purpose in addition to the items in the Standard Verification Group.

Household Resources Group, Tracking flag V6. Students must verify the items in the Standard Verification Group as well as certain other untaxed income on the 2014–2015 FAFSA:

- payments to tax-deferred pension and retirement savings plans (Questions 45a and 94a)
- child support received (Questions 45c and 94c)
- housing, food, and other living allowances paid to members of the military, clergy, and others (Questions 45g and 94g)

- veterans' non-education benefits (Questions 45h and 94h)
- other untaxed income (Questions 45i and 94i)
- money received or paid on the applicant's behalf (Question 45j)
- resources or benefits not appearing on the FAFSA, such as in-kind support from a relative or a government agency.

Application and Verification Guide 2015-16, AVG-78 and AVG-79

For students who are selected for verification and receiving subsidized student aid, changes that result to any non-dollar item and to any dollar item of $25 or more must be submitted for processing. See the section on changes to a selected applicant's FAFSA. *Application and Verification Guide 2015-16, AVG-88*

Noncompliance: In one instance, Fontbonne failed to properly complete the required verification for students.

Student #40: This student was selected for V1 verification for the 2015-16 award year. The student used the IRS DRT to import her tax information; however, no documents were provided to prove that the institution had verified the student's household size, number in college, child support paid, and eligibility for SNAP benefits.

While on-site the institution provided a written explanation to the program reviewers stating that the student's verification requirement had be inadvertently overlooked during a transition in software systems. The FAD ran a report during the on-site review to ensure that there were no other students for the 2015-16 award year with an outstanding verification requirement to whom the institution had disbursed Title IV, HEA funds, none were found.

Required Action: In response to this report, Fontbonne must resolve the verification deficiencies of the student cited above. If the resolution of the issue involves changes to the student's EFC, Fontbonne must perform a hand calculation of the student's EFC since changes can no longer be made to 2015-16 ISIRs. Fontbonne must adjust the student's Title IV, HEA program eligibility accordingly. If Fontbonne is unable to properly complete the verification process for the identified student, the institution will be liable for all Title IV, HEA funds disbursed to the student in the affected award year.

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

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

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

Finding 6: Inaccurate Recordkeeping

Citation: By entering into a Program Participation Agreement, an institution agrees that, among other factors, it will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to the Secretary, U.S. Department of Education. *34 C.F.R. § 668.14(a) and (b)*

The records that an institution must maintain in order to comply with the provisions of this section include but are not limited to...documentation of each student's or parent borrower's eligibility for title IV, HEA program funds. *34 C.F.R. § 668.24(c)(1)(iii)*

An institution shall maintain required records in a systematically organized manner. An institution shall make its records readily available for review by the Secretary or the Secretary's authorized representative at an institutional location designated by the Secretary or the Secretary's authorized representative. An institution may keep required records in hard copy or in microform, computer file, optical disk, CD-ROM, or other media formats, provided that—

(i) Except for the records described in paragraph (d)(3)(ii) of this section, all record information must be retrievable in a coherent hard copy format or in other media formats acceptable to the Secretary;
(ii) An institution shall maintain the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) used to determine eligibility for title IV, HEA program funds in the format in which it was received by the institution, except that the SAR may be maintained in an imaged media format;
(iii) Any imaged media format used to maintain required records must be capable of reproducing an accurate, legible, and complete copy of the original document, and, when printed, this copy must be approximately the same size as the original document;
(iv) Any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of its information must be maintained in its original hard copy or in an imaged media format; and
(v) Participants in the Federal Perkins Loan Program shall follow procedures established in 34 CFR 674.19 for maintaining the original promissory notes and repayment schedules for that program.

34 C.F.R. § 668.24(d)(1-3)

Noncompliance: While examining student files, reviewers found three instances in which students had withdrawn from a semester and had a Return processed, but had been awarded a grade for a class during that semester. The reviewers asked the institution for an explanation, and were told that these anomalies were caused when the institution switched computer systems, and that the grades had been changed by mistake. The institution provided proof of the date the courses were dropped, and supporting documentation to corroborate the student's withdrawal dates.

Failure to correctly document students' earned grades affects the institution's ability to correctly identify if a student is meeting the requirements for Satisfactory Academic Progress (SAP), and if a Return calculation needs to be processed. Accurate record keeping is essential in properly administering and processing Title IV, HEA funds. The three student files containing this issue are detailed below.

Student #16: This student withdrew from the Summer 2016 semester on 06/23/2016. She was enrolled in two 8-week, online courses, ACT 210 and MKT 210. The first transcript Fontbonne provided showed the student received a grade of "W" for ACT 210 and a "C" for MKT 210. After reviewers questioned the "C" grade, Fontbonne provided an updated transcript showing that the student received a grade of "W" for both courses. Fontbonne also provided the student's official withdrawal form with a date of 06/23/2016.

Student #32: This student unofficially withdrew from the Fall 2016 semester on 09/14/2016. She was enrolled in one 16-week courses, MTH 115. The first transcript Fontbonne provided showed the student received a grade of "B-" for MTH 115. After reviewers questioned the "B-" grade, Fontbonne provided an updated transcript showing that the student received a grade of "W" for the course. Fontbonne also provided documentation to support the student's last date of academic activity, 09/14/2016.

Student #34: This student unofficially withdrew from the Spring 2016 semester on 03/07/2016. She was enrolled in two 16-week courses, BIO 370 and MTH 350. The first transcript Fontbonne provided showed the student received an "A" for BIO 370 and grade of "W" for MTH 350. After reviewers questioned the "A" grade, Fontbonne provided an updated transcript showing that the student received a grade of "W" for the course. Fontbonne also provided documentation to support the student's last date of academic activity, 03/07/2016.

Required Action: In response to this finding, Fontbonne must provide complete a review of all student academic records for the 2015-16 and 2016-17 award years. The institution must identify, review, and report on the files of all Title IV, HEA program fund recipients for whom it identifies had a grade changed after the completion of these award years. Fontbonne must update its records to reflect the correct grade for each student in the affected time period. Additionally, Fontbonne must provide a discussion of the results of this review of grade reporting in its response to this report, and must provide documentation to show that all updates have been made. Lastly, Fontbonne is required to submit updated policies and procedures to ensure that it will review its academic records for accuracy in the future and keep correct grades on file.

Finding 7: Failure to Reimburse Title IV, HEA Perkins Loan Account

Citation: To participate in the Federal Perkins Loan program, an institution shall enter into a participation agreement with the Secretary. The agreement provides that the institution shall use the funds it receives solely for the purposes specified in this part and shall administer the program in accordance with the Act, this part and the Student Assistance General Provisions regulations, 34 CFR part 668. The agreement further specifically provides, among other things, that…the institution shall use the money in the Fund only for—

(1) Making loans to students;
(2) Administrative expenses as provided for in 34 CFR 673.7 (Administrative Cost Allowance);
(3) Capital distributions provided for in section 466 of the Act;
(4) Litigation costs (see §674.47);
(5) Other collection costs, agreed to by the Secretary in connection with the collection of principal, interest, and late charges on a loan made from the Fund (see §674.47); and
(6) Repayment of any short-term, no-interest loans made to the Fund by the institution in anticipation of collections or receipt of FCC.

34 CFR § 674.8(b)

A school that participates in the Perkins Loan Program must always maintain an interest-bearing account or an investment account for Perkins Loan funds. The school must maintain sufficient liquidity in its Perkins fund to make all required distributions.

If a school is also required to maintain an interest-bearing account or investment account for other federal funds, the school may use one account for Perkins Loan funds and all other federal funds. However, if the school chooses to maintain one account, it must determine the amount of any interest earned on the Perkins Loan funds and retain those funds for use in the Perkins Program. The interest earned on the school's Perkins funds is not included in the $500.00 maximum award year interest the school is permitted to retain.

A school may deduct from the interest earned any bank or service charges incurred as a result of maintaining the fund assets in an interest-bearing account and deposit only the net earnings. *2016-17 Federal Student Aid Handbook, Vol. 4, Chap. 1, pg. 4-16*

Noncompliance: Fontbonne's Title IV, HEA Perkins loan funds are kept in an account that is labeled as a federal account and that is interest-bearing. Fontbonne's Title IV, HEA Perkins loan bank account also has monthly service charges assessed, and the institution has failed to reimburse the account for service charges that are in excess of the interest accrued on the account.

Required Action: Fontbonne must update its accounting policies and procedures to ensure that it reviews, on a monthly basis, any service charges that are assessed in excess of the interest accrued, and takes the appropriate measures to reimburse its Federal Perkins loan bank account for these overage, if any exist. Fontbonne must also evaluate its Federal Perkins loan account to determine the amount of service charges assessed in excess of the interest earned during the 2012-13, 2013-14, 2014-2015, 2015-2016, and 2016-2017 award years. Fontbonne must provide the following information and documentation:

(1) A spreadsheet that contains, for each requested award year:
  (a) Each month;
  (b) Total amount service charges assessed for the month;
  (c) Total amount interest earned for the month; and
  (d) Payments, if any, made to the Federal Perkins account;

(2) For each award year, Fontbonne must also provide legible copies of the following documents:
  (1) Federal Perkins account monthly bank statements;
  (2) A description of the process and/or equation(s) used to determine the service charge to interest earned ;

The interest calculation spreadsheet discussed above should be should be organized by award year, and compiled in an Excel spreadsheet program, and submitted either via e-mail or in CD-ROM format in the following manner:

Month	Total Amount of Service Charges assessed for the month	Total Amount of Interest Earned for the month	Payments made to the account, if any	Service Charges in excess of Interest Earned and Payments Made
Jan 2014	$450	$428	$0	$22
Feb 2014	$575	$454	$50	$71
March 2014	$500	$496	$0	$4

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

Finding 8: Late Title IV Credit Balances

Citation: Federal regulations state that whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but—

(1) 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

(2) 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.
34 C.F.R. §668.164(e)

Federal regulations state that an institution is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent, in the case of PLUS).

In obtaining the student's or parent's authorization, an institution (1) may not require or coerce the student or parent to provide that authorization; (2) must allow the student or parent to cancel or terminate that authorization at any time; and (3) must clearly explain how it will carry out that activity.

A school may include two or more of the items that require authorization in one statement. However, each component and term in the authorization must be conspicuous to the reader, and a student (or parent borrower) must be informed that he or she may refuse to authorize any individual item on the statement.

If a student or parent cancels an authorization to hold Title IV funds, the institution must pay those funds directly to the student or parent as soon as possible but no later than 14 days after the institution receives that notice.

Notwithstanding any authorization obtained by the institution under this paragraph, pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV, HEA program funds by the end of the last payment period in the award year for which they were awarded. *34 C.F.R. § 668.165(b)*

Noncompliance: In six instances, Fontbonne did not issue Title IV, HEA fund credit balances to students within the required timeframe.

Student #3: Fontbonne posted $12,180 in Title IV, HEA program funds to the student's account on 01/22/2016, which created a Title IV, HEA fund credit balance of $80.10. The student's account card reflects that Fontbonne issued an EFT credit balance to the student on 02/05/2016; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's EFT credit balance was not issued until 02/08/2016, 3 days late.

Student #7: Fontbonne disbursed $10,141 in Title IV, HEA Direct Unsubsidized loan funds to the student's account on 08/21/2015, which created a Title IV, HEA fund credit balance of $5,532.28. The student's account card reflects that Fontbonne issued an EFT credit balance to the student on 09/02/2015; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's EFT credit balance was not issued until 09/08/2015, 4 days late.

Student #13: Fontbonne posted $2,888 in Title IV, HEA Pell grant funds to the student's account on 07/01/2015, which created a Title IV, HEA fund credit balance of $1,911. The student's account card reflects that Fontbonne issued an credit balance to the student's stored-value card on 07/15/2015; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's stored-value card was not credited until 07/16/2015, 1 day late.

Student #16: Fontbonne disbursed $4,852 in Title IV, HEA program funds to the student's account on 06/06/2016, which created a Title IV, HEA fund credit balance of $1,893.60. The student's account card reflects that Fontbonne issued an EFT credit balance to the student on 06/15/2016; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's EFT credit balance was not issued until 06/22/2016, 2 days late.

Student #17: Fontbonne issued late Title IV, HEA fund credit balances to this student twice. For the Fall 2016 semester, Fontbonne disbursed $10,141 in Title IV, HEA Direct Unsubsidized loan funds to the student's account on 08/15/2016, which created a Title IV, HEA fund credit balance of $1,857.50. The student's account card reflects that Fontbonne issued an EFT credit balance to the student on 08/26/2016; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's EFT credit balance was not issued until 08/30/2016, 1 day late.

For the Spring 2017 semester, Fontbonne disbursed $10,141 in Title IV, HEA Direct Unsubsidized loan funds to the student's account on 01/09/2017, which created a Title IV, HEA fund credit balance of $1,892.50. The student's account card reflects that Fontbonne issued an EFT credit balance to the student on 01/20/2017; however, the institution's third party servicer, Tuition Management Systems, portal reflects that the student's EFT credit balance was not issued until 01/24/2017, 1 day late.

Required Action: Fontbonne must submit an explanation for the delayed issuance of the credit balance with its response to this report, as well as, submit updated policies and procedures as to how Fontbonne will properly account for, support, and pay any credit balances to students, or to parents if a Title IV, HEA Direct PLUS, in accordance with the requirements of 34 C.F.R. § 668.165(b)(5).

Finding 9: Incorrect Loan Period and Failure to Adjust Loan Period

Citation: Federal regulations state the period of enrollment is the period for which a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan is intended. The period of enrollment must coincide with one or more bona fide academic terms established by the school for which institutional charges are generally assessed (e.g., an academic year; or the length of the program of the student in weeks of instructional time). The period of enrollment is also referred to as the loan period. *34 C.F.R. §685.102(b); Dear Colleague Letter GEN -13-13*

Federal regulations state that, in general, an academic year for a program of study must include:

(1) For a program offered in credit hours, a minimum of 30 weeks of instructional time; or
(2) For a program offered in clock hours, a minimum of 26 weeks of instructional time; and

For an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least:

(1) Twenty-four semester or trimester credit hours or 36 quarter credit hours for a program measured in credit hours; or
(2) 900 clock hours for a program measured in clock hours. *34 C.F.R. §668.3(a)*

As outlined in Dear Colleague GEN-13-13, published on 5/10/2013, under the Common Origination & Disbursement System (COD) schema the academic year and loan period for Direct Loans are reported as follows:

(1) Academic Year - The academic year tags in the COD schema are *<AcademicYear BeginDate>* and *<AcademicYearEndDate>*. Institutions must populate these tags with the exact beginning and ending dates of the academic year (the period to which the annual loan limit applies), and may need to update these dates based on the student's actual enrollment. A summer term that is treated as header or trailer to a scheduled academic year must not be included in the academic year dates unless the student will actually be receiving a Direct Loan for the summer. Note that the academic year period for a Direct Loan that an institution reports to the COD System is often not the same as the Title IV academic year that the institution has established under the regulations at 34 C.F.R. §668.3. This is often the case because of scheduled breaks during or between terms, or in clock-hour, non-term, or certain non-standard term credit-hour programs, because the borrower does not progress to the next academic year or payment period as originally scheduled.

(2) Loan Period - The loan period tags in the COD schema are *<FinancialAward BeginDate>* and *<FinancialAwardEndDate>*. These tags must be populated with the exact dates of the loan period of the loan, and may need to be updated based on the student's actual enrollment.

Limitations on eligibility for Direct Subsidized Loans and borrower responsibility for accruing interest for first-time borrowers on or after July 1, 2013—(1) Definitions. The following definitions apply to this paragraph:

(i) *First-time borrower* means an individual who has no outstanding balance of principal or interest on a Direct Loan Program or FFEL Program loan on July 1, 2013, or on the date the borrower obtains a Direct Loan Program loan after July 1, 2013.

(i) *Maximum eligibility period* is a period of time, measured in academic years, equal to 150 percent of the length of the educational program, as published by the institution, in which the borrower is currently enrolled.

(ii) *Subsidized usage period* is, except as provided in paragraph (f)(4) of this section, a period of time measured in academic years and rounded to the nearest tenth of a year calculated as the—

$$\frac{\text{Number of days in the borrower's loan period for a Direct Subsidized Loan}}{\text{Number of days in the academic year for annual loan limit purposes for which the borrower receives the Direct Subsidized Loan}}$$

(iv) *Remaining eligibility period* is the difference, measured in academic years, between the borrower's maximum eligibility period and the sum of the borrower's subsidized usage periods, except as provided in paragraphs (f)(7)(ii) and (f)(7)(iii) of this section. *34 C.F.R. 685.200(f)(i-iv)*

First-time borrowers (those who have no principal or interest balance on any Direct or FFEL Loan on the date they receive a Direct Loan on or after July 1, 2013) may not receive Direct Subsidized Loans for a period that exceeds 150% of the published length of the academic program in which they are currently enrolled. This length of time is also known as the "maximum eligibility period." *2015-16 F SA Handbook, Vol. 3, Chap. 5, pg. 3-123*

The period of enrollment for which a Direct Loan is intended must coincide with an academic period established by the school for which institutional charges are generally assessed (e.g., semester, trimester, quarter, length of the student's program, or academic year). The period of enrollment is also referred to as the loan period. *34 C.F.R. § 685.102(b)*

On July 6, 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21) (Public Law 112-141) was enacted. MAP-21 added a new provision to the Direct Loan statutory requirements that limits a new borrower's eligibility for Direct Subsidized Loans. See HEA section 455(q).

With the passage of the subsidized loan eligibility time limit (aka the 150% limit), it is more important than ever that institutions accurately report academic year dates and loan period start and end dates for all types of Direct Loans to COD. An institution must also update a loan's previously reported loan period dates or academic year dates if the borrower's actual attendance is different from the anticipated dates that were the basis for an initial reporting to COD. Some examples of when an institution must update loan data in COD include:

• If the borrower requests that a loan, or a disbursement of a loan be cancelled;

• when the borrower does not begin attendance, or does not begin attendance on at least a half-time basis, in a payment period that was included in the originally reported loan period and the institution did not make any disbursements for that payment period;

• when an institution determines that the borrower is not eligible to receive a Direct Loan for a payment period that was part of the originally reported loan period (for example, failure to meet SAP standards, the borrower has an overpayment, or a change in circumstances makes the borrower ineligible for a subsidized loan);

• when the borrower withdraws during a payment period that was included in the originally reported loan period, and as a result, the entire amount of the loan that was intended for that payment period is returned under the Return of Title IV Aid (R2T4) calculation;

• for clock-hour programs, non-term credit hour programs, and certain types of nonstandard term credit-hour program, the borrower fails to progress to the next payment period or academic year as scheduled.
Dear Colleague Letter GEN-13-13, published May 10, 2013

Noncompliance: For 10 students, Fontbonne failed to either originate loans with the correct loan period, or failed adjust the loan periods reported to COD for students with Title IV, HEA Direct loans.

Student #1: This student was enrolled for the 2015-16 award year, 08/19/2015-05/05/2016. Fontbonne incorrectly originated the student's Title IV, HEA Direct loans with improper end date of 05/09/2016.

Student #3: This student was enrolled for the 2015-16 award year, 08/19/2015-05/05/2016. Fontbonne incorrectly originated the student's Title IV, HEA Direct loans with varying loan periods for the 2015-16 award year. The student's Title IV, HEA Direct Subsidized and PLUS loans were originated with a loan period start date of 08/19/2015; however, the student's Title IV, HEA Direct Unsubsidized loan was originated with a loan period start date of 08/15/2015. Additionally, the institution originated the student's Title IV, HEA Direct Subsidized and PLUS loans with a loan period end date of 05/09/2016, not 05/05/2016.

Student #4: This student was enrolled for the 2015-16 award year, 08/19/2015-05/05/2016. Fontbonne incorrectly originated the student's Title IV, HEA Direct loans with varying loan periods for the 2015-16 award year. The student's Title IV, HEA Direct Subsidized loan was originated with a loan period start date of 08/19/2015; however, the student's Title IV, HEA Direct Unsubsidized loan was originated with a loan period start date of 08/15/2015. Additionally, the institution originated the student's Title IV, HEA Direct Subsidized loan with a loan period end date of 05/09/2016, not 05/05/2016.

Student #5: This student was enrolled, at least half-time, for the 2015-16 award year, 06/01/2015-05/05/2016. Fontbonne certified and originated a Title IV, HEA Direct Unsubsidized loan for this student with the loan period of 06/01/2015-05/09/2016. Fontbonne disbursed the Summer 2015 portion of this loan, but did not disburse the Fall 2015 and Spring 2016 portions. Fontbonne then originated a new Title IV, HEA Direct Unsubsidized loan with the loan period of 08/19/2015-05/09/2016, and released disbursements for the Fall 2015 and Spring 2016 semesters. Fontbonne should have adjusted the loan period end date of the first loan to 07/25/2015. Additionally, the second Title IV, HEA Direct Unsubsidized loan period should have an end date of 05/05/2016.

Student #7: Fontbonne certified and originated a Title IV, HEA Direct Unsubsidized loan for this student with the loan period of 08/19/2015-05/09/2016. The student graduated from the institution at the end of the Fall 2015 semester, on 12/14/2015. Fontbonne failed to adjust the student's loan period to 08/19/2015-12/14/2015.

Student #10: This student was enrolled for the 2015-16 award year, 08/19/2015-05/05/2016. Fontbonne incorrectly originated the student's Title IV, HEA Direct loans with improper end date of 05/09/2016.

Student #23: This student was enrolled for the 2016-17 award year, 08/15/2016-05/04/2017. Fontbonne incorrectly originated the student's Title IV, HEA Direct loans with improper end date of 05/06/2017. Additionally, the student withdrew from the institution at the end of the Fall 2016 semester, 12/08/2016. Fontbonne failed to adjust the student's loan periods to reflect the scheduled end of the payment period, 12/08/2016, instead of the end of the academic year.

Student #24: This student was enrolled for the 2016-17 award year, 08/15/2016-05/04/2017. Fontbonne incorrectly originated the student's Title IV, HEA Direct Unsubsidized loan with improper end date of 05/06/2017.

Student #27: This student was enrolled for the 2016-17 award year, 08/15/2016-05/04/2017. Fontbonne incorrectly originated the student's Title IV, HEA Direct Subsidized loan with improper end date of 05/06/2017. Additionally, the student withdrew from the institution at the end of the Fall 2016 semester, 12/08/2016. Fontbonne failed to adjust the student's loan period to reflect the scheduled end of the payment period, 12/08/2016, instead of the end of the academic year.

Student #36: Fontbonne failed to adjust this student's loan periods for the 2016-17 award year. Fontbonne certified and originated a Title IV, HEA Direct Subsidized and Unsubsidized loan for this student's academic year with the loan period of 08/15/2016-05/06/2017. The student withdrew from the institution during the Fall 2016 semester, on 09/24/2016. Fontbonne failed to adjust the student's loan periods to reflect the scheduled end of the payment period, 12/08/2016, instead of the end of the academic year.

Student #37: Fontbonne failed to adjust this student's loan periods for the 2016-17 award year. Fontbonne certified and originated a Title IV, HEA Direct Subsidized and Unsubsidized loan for this student's academic year with the loan period of 08/15/2016-05/06/2017. The student withdrew from the institution during the Fall 2016 semester, on 09/24/2016. Fontbonne failed to adjust the student's loan periods to reflect the scheduled end of the payment period, 12/08/2016, instead of the end of the academic year.

Required Action: Fontbonne must review the loan periods of the students listed above, and verify that each loan period is current or update the loan period to bring it current. Fontbonne is also required to review the loan periods of all students that meet the criteria for loan period adjustments as stated in the citation for the 2015-16 and 2016-17 award years. Fontbonne must update the loan periods for these students to correctly reflect each student's actual loan period. Additionally, Fontbonne must provide a discussion of the results of this review of loan period reporting in its response to this report, and must provide documentation to show that all updates have been made. Lastly, Fontbonne is required to submit updated policies and procedures to ensure it will adjust all student loan periods correctly and in a timely manner as necessary.

Finding 10: Inaccurate Reporting of Disbursement Dates to the Common Origination and Disbursement (COD) System

Citation: An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with:

1) Funds received from the Secretary; or
2) Institutional funds used in advance of receiving Title IV, HEA program funds. *34 C.F.R. § 668.164(a)*

A school participating in the Direct Loan Program shall ensure that any information it provides to the Secretary in connection with loan origination is complete and accurate. A school shall originate a Direct Loan while the student meets the borrower eligibility requirements of 34 C.F.R. § 685.200. A school shall provide to the Secretary borrower information that includes but is not limited to:

1) The borrower's eligibility for a loan, as determined in accordance with 34 C.F.R § 685.200 and 34 C.F.R. § 685.203;
2) The student's loan amount; and
3) The anticipated and actual disbursement date or dates and disbursement amounts of the loan proceeds. *34 C.F.R. § 685.301(a)*

34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Direct Loan disbursement records to the COD system no later than 30 days after making a disbursement or becoming aware of the need to adjust a student's previously reported disbursement information. The disbursement date to be reported to COD is the date the institution credits funds to a student's account or pays funds to a student or parent directly. *2015-16 COD Technical Reference, Vol 2*

Federal Register Volume 78, Number 40, issued February 28, 2013 changed the number of days to submit records from 30 to 15 beginning with the 2012-13 award year. Federal Student Aid notified the community via an Electronic Announcement on the Information for Financial Aid Professionals website on 03/15/2013.

In the Program Participation Agreement the institution agrees to comply with Federal Direct Loan Program regulations including implementation of a quality assurance process and to document that the institution is in compliance with correctly and timely reporting the status of borrower loan records and enrollment status, disbursements and adjustments to COD in a timely manner and completing monthly reconciliation and Program Year Closeout. *34 C.F.R. § 685.300(b)(9)*

Noncompliance: Fontbonne did not accurately report disbursement dates to COD for 18 of the student files reviewed by the Department. The following chart contains a representative sample of inaccurate reporting to COD, and illustrates the difference between the disbursement dates of Title IV, HEA program funds recorded on the students' account cards versus the disbursement dates reported to COD for the 2015-16 and 2016-17 award years. The files of Students #1, #2, #3, #4, #5, #6, #8, #10, #11, #12, #13, #15, #18, #19, #20, #21, #22, #24, and #26 contained this issue.

Student Number	Title IV, HEA Program	Net Amount	COD Disbursement Date	Student Account Disbursement Date
1	Federal Pell Grant	$2,413	08/25/2015	08/19/2015
1	Federal Pell Grant	$2,412	02/08/2016	01/22/2016
1	Federal Direct Subsidized and Unsubsidized Loan	$2,721 and $990	01/12/2016	01/22/2016
3	Federal Pell Grant	$2,063	09/01/2015	08/31/2015
3	Federal Pell Grant	$2,062	02/02/2016	01/22/2016
3	Federal Direct Subsidized and Unsubsidized Loan	$1,732 and $990	01/12/2016	01/22/2016
5	Federal TEACH	$1,854	08/28/2015	08/31/2015
5	Federal TEACH	$1,864	02/01/2016	02/08/2016
5	Federal Direct Unsubsidized Loan	$1,182	01/12/2016	01/22/2016
19	Federal Pell Grant	$1,383	08/16/2016	08/15/2016
22	Federal Pell Grant	$2,633	COD shows one disbursement of $2,633 on 08/16/2016	$1,633 on 08/15/2016 and $1,000 on 08/29/2016
24	Federal Direct Unsubsidized Loan	$10,141	08/16/2016	08/15/2016

Required Action: Fontbonne must revise its COD reporting procedures to ensure the institution accurately reports to COD the date that the institution disburses Title IV, HEA funds to each student's account. Additionally, Fontbonne must review and, as necessary, revise its policies and procedures in relation to COD reporting and Direct Loan Quality assurance processes. The response to the program review must include a narrative of the processes used by Fontbonne describing how it meets quality assurance requirements and a copy of the most recent results of its internal review. Copies of these documents must be submitted with Fontbonne's response to this report.

Finding 11: Inaccurate National Student Loan Database System (NSLDS) Reporting

Citation: Federal regulations state that an institution shall—

(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary—

(i) In the manner and format prescribed by the Secretary; and

(ii) Within the timeframe specified by the Secretary.

(2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date that the school discovers that—
   (i) A loan under title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or
   (ii) A student who is enrolled at the school and who received a loan under title IV of the Act has changed his or her permanent address.

34 C.F.R. § 685.309(b)

On January 17, 2014, the Consolidated Appropriations Act of 2014 (Pub. L. No. 113-76) was enacted. Among the new law's provisions was a directive that the Department submit, to Congress, a report of enrollment and graduation information of Federal Pell Grant recipients. Final regulations, published on November 1, 2013 and effective on July 1, 2014, changed the frequency and manner of enrollment reporting by institutions that participate in the Title IV, student financial aid programs to NSLDS. Specifically, the regulations provide that institutions must respond to the Secretary's request for enrollment information (1) within a timeframe specified by the Secretary, (2) in a manner specified by the Secretary, and (3) in a format specified by the Secretary. Under the authority of those regulations, beginning July 1, 2014, the Department will request enrollment information from institutions every 60 days, and schools will be required to respond to those requests within 15 days of the date that the Department sends the electronic enrollment reporting roster to the institution or to its designated third-party servicer. Institutions had to begin using the new enrollment reporting file layouts required by the Department on October 1, 2014.
Dear Colleague Letter (DCL) GEN-14-07, published April 14, 2014.

Additionally, in the Program Participation Agreement signed by the institution, it agrees to comply with Federal Direct Loan Program regulations including to provide timely and accurate information to the Secretary for the servicing and collecting of loans concerning the status of student borrowers (and students on whose behalf parents borrow) while these students are in attendance at the school, and upon request by the Secretary, concerning any new information of which the school becomes aware for these students (or their parents) after the student leaves the school. *34 CFR § 685.300(b)(6)(i-ii)*

Noncompliance: Fontbonne failed to accurately report correct enrollment statuses for Students #3, #4, #7, #11, #15, #21, #23, #24, #27, #31, #32, #33, #35, #36, #37, #39, #40, #42, #44, and #45 within the required timeframe. Samples of these inaccuracies are detailed below.

Student #3: This student began enrollment at Fontbonne as of 08/19/2015; however, Fontbonne did not report the student's enrollment status until 11/05/2015, 79 days late.

Student #7: This student began full-time enrollment in a graduate program at Fontbonne as of 01/17/2012; however, Fontbonne reported the student enrollment status as half-time. Additionally, the student graduated from his program on 12/14/2015; however, Fontbonne reported the student as withdrawn instead of graduated, and the withdrawn status was not reported until 02/16/2016, 4 days late.

Student #23: This student withdrew from Fontbonne at the end of the Fall 2016 semester, 12/08/2016. Fontbonne did not report the student's withdrawal until 02/08/2017, 1 day late, and incorrectly reported the student's withdrawal date as 12/10/2016.

Student #24: This student was enrolled half-time in a graduate program for the Spring 2016 semester at Fontbonne; however, Fontbonne reported the student's enrollment status as less-than-half-time. This caused a portion of the student's grace period to lapse.

Student #27: This student began attendance at Fontbonne as of 08/15/2016; however, Fontbonne did not report the student's enrollment status until 12/06/2016, 54 days late. Additionally, this student withdrew from Fontbonne at the end of the Fall 2016 semester, 12/08/2016. Fontbonne did not report the student's withdrawal until 02/08/2017, 1 day late, and incorrectly reported the student's withdrawal date as 12/10/2016.

Student #32: This student withdrew from the institution on 03/22/2012, but returned to the institution and began attendance on 06/08/2015. Fontbonne did not report the student's full-time enrollment, and also failed to report the student's less-than-half-time enrollment which began 08/19/2015. Fontbonne did report the student's withdrawal from the Fall 2015 semester, 09/14/2015.

Student #33: This student withdrew from the institution on 02/11/2016, but Fontbonne incorrectly reported the student's withdrawal date as 01/08/2016.

Student #35: This student was enrolled half-time prior to the Summer 2015 semester. Fort the Summer 2015 semester the student completed full-time enrollment, and was also enrolled full-time for the Fall 2015 semester. However, Fontbonne did not update the student's enrollment status until 11/17/2015, at which point the student had withdrawn. Additionally, this student withdrew from the institution on 10/20/2015, but Fontbonne incorrectly reported the student's withdrawal date as 12/14/2015. The student's withdrawal wasn't reported until 02/16/2016, 59 days late.

Student #36: This student reduced his enrollment to less-than-half-time during the Fall 2016 semester which Fontbonne reported to NSLDS as of 11/04/2016. However, Fontbonne later determined that the student unofficially withdrew from the institution on 09/24/2016, but failed to report the student's withdrawal to NSLDS.

This issue was also reported in Fontbonne's yearly compliance audit (FYE 06/30/2016).

Required Action: Fontbonne must submit an explanation for the incorrect reporting of the enrollment statuses of these students with its response to this report, and update the records of the students cited above. Fontbonne is also required to review the enrollment status of all students at the institution in the 2015-16 and 2016-17 award years, and change the enrollment status for all students to correctly reflect each student's enrollment. Additionally, Fontbonne must review and, as necessary, revise its policies and procedures in relation to NSLDS reporting processes. The revised policy must include a description of how Fontbonne meets quality assurance requirements and a copy of the most recent results of its internal review. A copy of these documents must be submitted with Fontbonne's response to the PRR.

Finding 12: Account Records Not Reconciled

Citation: By entering into a Program Participation Agreement, an institution agrees that, among other factors, it will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to the Secretary, U.S. Department of Education. *34 C.F.R. § 668.14(a) and (b)*

Federal regulations require that an institution exercise the level of care and diligence required of a fiduciary with regard to maintaining and investing Title IV, HEA program funds.
34 C.F.R. § 668.163(e)

Federal regulations stipulate that an institution shall establish and maintain, on a current basis, financial records that reflect each Title IV, HEA program transaction, and general ledger control accounts and related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity. An institution shall account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. The fiscal records that a school must maintain include, but are not limited to:

(1) Records of all FSA program transactions;
(2) Bank statements for all accounts containing FSA funds;
(3) Records of student accounts, including each student's institutional charges, cash payments, Title IV, HEA payments, cash disbursements, refunds, returns, and overpayments required for each enrollment period;

(4) General ledger (control accounts) and related subsidiary ledgers that identify each Title IV, HEA program transaction (Title IV, HEA transactions must be separate from school's other financial transactions);
(5) Federal Work-Study payroll records;
(6) FISCOP portion of the FISAP;
(7) Records that support data appearing on required reports, such as Pell Grant Statements of Accounts, GAPS cash requests and quarterly or monthly reports, Title IV, HEA program reconciliation reports, Audit reports and school responses, state grant and scholarship award rosters and reports, Accrediting and licensing agency reports, records used to prepare the Income Grid on the FISAP. *34 C.F.R. § 668.164(b); The Blue Book, December 2013*

An institution shall account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. An institution shall establish and maintain on a current basis financial records that reflect each Title IV, HEA program transaction, and general ledger control accounts and related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity. *34 C.F.R. §668.24(b)(2)*

An institution shall maintain required records in a systematically organized manner and shall make its records readily available for review by the Secretary or the Secretary's authorized representative at an institutional location designated by the Secretary or the Secretary's authorized representative. *34 C.F.R. §668.24(d)(1) and (2)*

Noncompliance: While on-site, reviewers found five student files in which students' Title IV, HEA Direct loans were originally disbursed $1 less than required. Fontbonne stated that it had switched electronic systems which had caused a rounding issue affecting student disbursements during the 2015-16 award year. Fontbonne later assessed all student accounts, and disbursed the remaining $1 for each Title IV, HEA Direct loan that had been affected.

Required Action: Since Fontbonne previously addressed this issue, it is not required to provide a file review in response to this finding. However, Fontbonne must provide updated policies and procedures for processing monthly reconciliations for its Title IV, HEA program funds to avoid issues such as this in the future, and ensure that student Title IV, HEA fund disbursements are correctly posted. Fontbonne must provide a copy of these policies and procedures with its response to the PRR.

Finding 13: Failure to Update Eligibility and Certification Approval Report (ECAR)

Citation: Federal Regulations at 34 C.F.R. §668.25 state that an institution may enter into a written contract with a third-party servicer for the administration of any aspect of an institution's participation in any Title IV, HEA program only to the extent that the servicer's eligibility to contract with the institution has not been limited, suspended, or terminated. However, an institution that participates in a Tile IV, HEA programs shall notify the Secretary within 10 days of that date of:

- When the institution enters into a new contract or significantly modifies an existing contract with a third-party servicer to administer any aspect of a Title IV, HEA program;
- The institution or a third-party servicer terminates a contract for the servicer to administer any aspect of a Title IV, HEA program; or
- A third-party servicer that administers any aspect of the institution's participation in a Title IV, HEA program stops providing services for the administration of that program, does out of business, or files a petition under the Bankruptcy Code; and
- The name and the address of the servicer.

34 C.F.R. §668.25

Except as provided in paragraph (b) of this section, an eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after the change occurs, of any change in any gainful employment program under 34 CFR part 668, subpart Q, including:

(i) Establishing the eligibility or reestablishing the eligibility of the program;
(ii) Discontinuing the program's eligibility under 34 CFR 668.410;
(iii)Ceasing to provide the program for at least 12 consecutive months;
(iv)Losing program eligibility under §600.40;
(v) Changing the program's name, CIP code, as defined in 34 CFR 668.402, or credential level; or
(vi)Updating the certification pursuant to §668.414(b).

34 C.F.R. §600.21(a)(11)

Noncompliance: Fontbonne currently contracts with five (5) Third Party Servicers (TPS): ASC, Title IV, HEA Perkins loan processing and collection; Great Lakes, alternative loan processing; the National Student Clearinghouse, enrollment reporting; Borrower Connect, student loan default monitoring and resolution; and Tuition Management System, Title IV, HEA fund credit balance delivery to students. Fontbonne failed to notify the Department within 10 days of the institution's contract with these servicers as of the issuance of the program review report.

Furthermore, Fontbonne failed to properly notify the Department of 4 online certificate programs it offers, which are subject to Gainful Employment (GE) reporting regulations, within the 10 day timeframe:

1. Supply Chain Management;

2. Learning Technologies;
3. Virtual Worlds in Education; and
4. Instructional Design and Technology

Fontbonne has been awarding Title IV, HEA program funds to students enrolled in these certificate programs, and has not submitted the Gainful Employment (GE) reporting required for certificate programs.

Required Action: It should be noted Fontbonne submitted electronic applications to the Department on 02/20/2017 and 03/23/2017, requesting acknowledgement of the TPS National Student Clearinghouse, Borrower Connect, and Great Lakes. It should also be noted that the Department acknowledged the contracts between Fontbonne and these three TPS on 03/23/2017 and 03/31/2017. Fontbonne must also update its application with the two remaining TPS, ASC and Tuition Management System, and with the four graduate certificate programs. A copy of the updated application must be submitted with Fontbonne's response to this report.

Additionally, Fontbonne must devise and implement policies and procedures to ensure that all substantive changes are reported to the Department no later than 10 days after the change occurs. A copy of these policies and procedures must also accompany Fontbonne's response to this program review report.

D. Recommendations

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

First, Fontbonne has a Leave of Absence (LOA) policy that applies to students' academic status, but is not incorporated in the Financial Aid office. Fontbonne will allow students to take a LOA and return to the institution without reapplying for admission; however, students granted a LOA are considered withdrawn for Title IV, HEA purposes. Fontbonne's LOA policy does not inform students that they will be considered withdrawn in the financial aid office and that their Title IV, HEA program funds may be subject to a Return calculation. Additionally, a complete withdrawal from an institution can have an adverse effect on a student's SAP status.

Second, Fontbonne back dates changes to student's institutional charges which can cause issues if a student withdraws. Since original charges prior to a student's withdrawal date must be used when processing a Return calculation, financial aid staff must be able to ascertain those original charges. If Fontbonne adjust these charges retroactively it could lead to incorrect Return calculations, and thus liability issues for the institution.

Third, Fontbonne sends e-mail notifications to students regarding SAP status updates. Fontbonne notates the date these notifications are sent to students in its computer system; however, the institution does not retain a copy of the dated document that is actually sent to students. Fontbonne was able to provide reviewers with e-mails for some of the students requested; however, Fontbonne was not able to produce copies of all student notifications. Fontbonne should keep a record of each notification sent to each student within the students' files. Copies of the original documents will provide actual documentation that these notifications were sent.

When reviewers requested copies of Title IV, HEA Perkins loan entrance and exit counseling and borrower's rights and responsibilities documentation, the institution had to request the documents from its TPS, ASC, which held copies of these documents. In some cases ASC was only able to provide electronic lists of students who completed entrance counseling. Fontbonne should keep copies of required Title IV, HEA Perkins loan documentation with each student's Perkins file or financial aid file not rely solely on its TPS to retain this information.