



September 2, 2020

Dr. Paul Katz
President
University of the Sciences in Philadelphia
600 South 43rd Street
Philadelphia, PA 19104-4418

Sent via Email

RE: **Final Program Review Determination**
OPE ID: 00335300
PRCN: 202010330101

Dear Dr. Katz:

The U.S. Department of Education's (Department's) Office of Federal Student Aid issued a program review report on January 6, 2020 covering the University of the Sciences (USciences) 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 2018-2019 award year. USciences' final response was received on May 21, 2020. A copy of the program review report (and related attachments) and USciences' response is attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by USciences upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$1,484.36.

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

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an

individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead

to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendices B through D also contain PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

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

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

USciences' appeal request must:

- (1) indicate the findings, issues, and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position; and
- (3) include a copy of the FPRD received by the school.

When it submits its request for appeal, the institution may also include documentation it believes the Department should consider in support of the appeal. **Please note that any additional documentation submitted with the institution's appeal request, other than items 1-3 above, will only be used by the Administrative Actions and Appeals Service Group (AAASG) to determine whether the appealed liabilities can be resolved or reduced prior to the transmittal of the appeal to the Department's Office of Hearings and Appeals (OHA).** As a result, please submit **no more than three copies** of any additional documentation, other than items 1-3 above, that the institution would like to have informally considered. The additional documentation, not part of items 1-3 above, provided with the institution's appeal request will NOT be delivered to OHA as part of the appeal request. Instead, the parties will submit filings to OHA (including any supporting documentation) in accordance with the Hearing Official's orders after the matter has been assigned to the official, as described below.

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

If the institution's appeal is timely, **and there remain unresolved liabilities after review by AAASG**, the request for appeal will be transmitted to the Department's Office of Hearings and Appeals (OHA), for an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The Hearing Official assigned to the case will issue an order scheduling the submission of briefs and supporting evidence in accordance with 34 C.F.R. § 668.114(c). The institution may therefore submit additional documentation supporting its appeal request at that time. Further, if the institution is appealing a projected liability amount, it may provide detailed liability information from a complete file review, either at the time it initially submits its appeal request or pursuant to the proceedings at OHA. The procedures followed with respect to USciences' appeal are those provided at 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Ms. DellaVecchia at (215) 656-6444. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.


Sincerely,



Sherrie Bell
Division Chief (Acting)

Enclosure:

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

cc: , Financial Aid Administrator
Middle States Commission on Higher Education
PA Department of Education
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for:
University of the Sciences in Philadelphia

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

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID: 00335300
PRCN: 202010330101

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

Final Program Review Determination

September 2, 2020

Table of Contents

	Page
A. Institutional Information	3
B. Scope of Review	4
C. Final Determinations	5
<u>Resolved Findings without Liabilities</u>	
Finding # 1 – Inadequate Policy to Confirm Student Attendance	5
Finding # 2 – Inadequate Policy for Delivery of Student Credit Balances	7
Finding # 4 – Incorrect/Late National Student Loan Data System Reporting	8
Finding # 5 – Failure to Identify Federal Funds in Bank Account	10
Finding # 6 – Crime Awareness Requirements Not Met	12
Finding # 7 – Drug and Alcohol Abuse Prevention Program Requirements Not Met	14
<u>Findings with Established Liabilities</u>	
Finding # 3 – Incorrect Return of Title IV Funds (R2T4) Calculations/Policy	17
D. Summary of Liabilities	21
E. Payment Instructions	23
F. Appendices	24
Appendix A: January 6, 2020 Program Review Report and USciences’ March 5, 2020 Program Review Response	
Appendix B: Outstanding Return of Title IV Funds Due	
Appendix C: Required NSLDS Corrections	
Appendix D: Cost of Funds Calculation for Finding # 3	

A. Institutional Information

University of the Sciences in Philadelphia
 600 South 43rd Street
 Philadelphia, PA 19104-4495

Type: Private, Nonprofit

Highest Level of Offering: Doctorate

Accrediting Agency: Middle States Commission on Higher Education

Current Student Enrollment: 2,389 (2018-2019)

% of Students Receiving Title IV: 72.4% (2018-2019)

Title IV Participation:

Program	2017-2018	2016-2017	2015-2016
Pell Grant	\$1,624,261	\$1,640,080	\$1,866,630
TEACH	\$0	\$0	\$0
FDLP Stafford Subsidized	\$78,427	\$139,443	\$1,349,979
FDLP Stafford Subsidized SULA	\$3,390,376	\$3,736,559	\$3,066,918
FDLP Stafford Unsubsidized	\$19,427,623	\$21,305,458	\$21,293,729
FDLP PLUS	\$4,957,136	\$5,182,225	\$5,657,004
FDLP Grad Professional PLUS	\$11,425,754	\$11,216,155	\$9,130,909
Federal Perkins Loans	\$29,500	\$94,350	\$220,000
Federal Supplemental Educational Opportunity Grant	\$245,000	\$158,123	\$241,000
Federal Work Study	\$521,373	\$506,637	\$442,330
Total Title IV	\$41,699,450	\$43,979,030	\$43,268,499

Default Rate FFEL/DL: 2016 = 2.6%
 2015 = 1.8%
 2014 = 2.9%

Perkins: 06/30/16 = 21.74%

B. Scope of Review

The U.S. Department of Education's (the Department) Office of Federal Student Aid conducted a program review at University of the Sciences in Philadelphia (USciences) from November 12, 2019 to November 14, 2019. The review was conducted by Ms. Nancy Della Vecchia, Mr. Manuel Loera and Ms. Gwen Deurell.

The focus of the review was to determine USciences' 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, U.S.C. §§ 1070 *et seq.* (Title IV programs). The review consisted of, but was not limited to, an examination of USciences' policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 18 files was identified for review from the 2018-2019 award year. The student files were selected randomly from the list of students who: 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A of the Program Review Report identifies the students whose files were examined during the program review.

The Department issued its Program Review Report (PRR) on January 6, 2020. USciences submitted its written response to the PRR on March 6, 2020 ("Response"), as well as additional data submitted on May 21, 2020. The PRR and Response are included in Appendix A.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning USciences' specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve USciences of its obligation to comply with the statutory and regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

USciences has taken the corrective actions necessary to resolve findings # 1, 2, 5, 6, and 7 of the Program Review Report. Therefore, these findings may be considered closed. Finding 4 does not establish liabilities, however, it requires further action from the institution to close the finding. See the narrative below for additional details.

Resolved Findings

Finding # 1 – Inadequate Policy to Confirm Student Attendance

Final Determination:

USciences failed to establish an adequate policy to confirm that students began attendance in each of the courses for which they registered, prior to disbursing Title IV funds. At the time it makes a disbursement of Title IV funds, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA program funds disbursed. 34 C.F.R. § 668.164(b)(3).

USciences established a passive “Roster Verification” policy for determining whether a student began attending each semester. Every semester, the Registrar’s Office requested that faculty review their class rosters, identify any registered students who had never attended the course, and notify the Registrar’s Office of those students via email. If the Registrar’s Office did not receive an email from a faculty member stating that a given student had never attended a course, the Registrar assumed that the student was in attendance from the beginning of the term. For the fall 2018 semester the Registrar’s Office sent this email to faculty on September 19, 2018, although USciences had already disbursed Title IV funds for the semester on September 4, 2018.

In its March 5, 2020 program review response, USciences concurred with the finding. USciences stated that it implemented a new “Attendance Policy,” designed to record and document student attendance. The new policy requires that faculty verify whether each student began attending each course, by entering it into USciences’ Student Information System (SIS). Under the new policy, Title IV funds will not be disbursed to any individual student until after the student’s attendance has been actively verified by the faculty.

Additionally, USciences submitted the results of its file review intended to determine if those students who were enrolled during the 2018-2019 award year who failed to earn a passing grade actually commenced attendance in the payment periods for which they received Title IV funds. USciences’ review identified five students who failed to earn a passing grade during the 2018-2019 award year. USciences confirmed that all five students commenced attendance. Two students withdrew and USciences had already returned the Title IV funds to the appropriate programs. As a result, this finding may be considered closed.

Finding # 2 – Inadequate Policy for Delivery of Student Credit Balances

Final Determination:

USciences failed to implement a policy to deliver timely credit balance funds to students. A Title IV, HEA credit balance occurs whenever the amount of Title IV, HEA program

funds credited to a student's ledger account for a payment period exceeds the amount assessed the student for allowable charges associated with that payment period. The institution must pay the 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(h).

USciences' credit balance procedures required that students wait until after the drop/add period was over and then make a request to receive their credit balances. Each semester USciences sent students whose accounts had a credit balance an email notifying them of the amount of the credit balance and asking the students if they wanted to receive the credit balance funds. Once the students requested the funds, it took approximately a week for the payment to be issued as it required internal approvals from multiple offices.

In its March 5, 2020 program review response, USciences concurred with the finding. USciences implemented a new credit balance policy, effective January 1, 2020. Under the new policy, unless a student submits a written request for USciences to hold his or her credit balance, USciences will automatically deliver any Title IV credit balance to the student within 10 days of the Title IV disbursement.

USciences also conducted a file review of the Spring 2020 term to ensure that all Title IV credit balances were delivered to students in a timely fashion. With one exception, USciences delivered all Spring 2020 credit balances within 14 days. USciences stated that the exception was due to a software configuration issue, which has now been corrected. As a result, this finding may be considered closed.

Finding # 5 – Failure to Identify Federal Funds in Bank Account

Final Determination:

USciences failed to identify that its bank account included Title IV funds. For each depository account that includes Title IV, HEA program funds, an institution located in a State must clearly identify that Title IV, HEA program funds are maintained in that account by: including in the name of each depository account the phrase, "Federal Funds"; or notifying the depository institution that the depository account contains Title IV, HEA program funds that are held in trust and retaining a record of that notice; and (except for a public institution located in a State or a foreign institution) filing with the appropriate State or municipal government entity a UCC-1 statement disclosing that the depository account contains federal funds and maintaining a copy of that statement. 34 C.F.R. § 668.163(a)(2).

In its March 5, 2020 program review response, USciences concurred with the finding. USciences notified its bank that its account contains federal funds. With its response to the program review report, USciences provided confirmation from its bank that the words

“federal funds” will now appear in the title of the account. As a result, this finding may be considered closed.

Findings without Liabilities

Finding # 4 – Incorrect/Late National Student Loan Data System Reporting

Final Determination:

USciences reported an incorrect withdrawal effective dates for one student and reported one withdrawal date late. Upon receipt of an enrollment report from the Department, a school must update all information included in the report and return the report to the Department in the manner and format prescribed and within the timeframe prescribed. 34 C.F.R. § 685.309(b).

Student # 4 - USciences reported the student withdrew effective August 27, 2018; however, institutional documentation showed the effective withdrawal date was July 25, 2018.

Student #5 - USciences reported the student withdrew effective December 14, 2018; however, the student ceased attendance without providing notification to the institution and the institutional policy was to use the mid-point of the term as the withdrawal date.

Student # 7 - USciences was late in reporting the withdrawal for this student. The effective date for this withdrawal was May 3, 2019; however, the information was first reported to NSLDS on September 21, 2019, 81 days late.

In response to the Department’s Program Review Report, USciences conducted a file review of all Title IV recipient students who received Title IV program funds and withdrew during the 2018-2019 award year to determine if the enrollment status was reported accurately and timely to NSLDS. USciences’ file review identified 46 students who withdrew during the 2018-2019. USciences determined that it incorrectly reported the enrollment status for four of these students. Further, USciences indicated that it was not timely when it reported two of the four incorrect statuses. These students are detailed in Appendix C.

In its March 5, 2020 program review response, USciences stated it believes that the uniform “Withdrawal Form” it has implemented (see Finding # 3 for discussion of the form) will ensure accurate reporting in the future.

Although USciences concurred with the finding as it pertains to student # 5, it disagreed with respect to students # 4 and 7. The Department’s determinations regarding students # 4 and 7 are below.

Student # 4 - According to the Department's finding, USciences reported to NSLDS that student # 4 withdrew effective August 27, 2018; however, institutional documentation showed the effective withdrawal date was July 25, 2018.

In its March 5, 2020 response to the program review report, USciences argued that although its own form, "Notification of Student Separation from the College,"¹ showed the student's withdrawal date was July 25, 2018, the student's last date of attendance was actually July 13, 2018. USciences asserted that it reported July 13, 2018 as the Program-Level effective withdrawal date and argued that, as a result, it had correctly reported this student's status to NSLDS.

USciences response did not specify why the withdrawal date on its internal documentation differed from the student's actual last date of attendance. However, it does highlight the need for tightened procedures related to USciences' monitoring of student attendance and withdrawals, as indicated in Finding # 1. Further, institutions are required to report the effective date of any status changes at both the Campus-Level and the Program-Level. USciences did not report student # 4's withdrawal at the Campus-Level.

Student # 7 - According to the Department's finding, USciences was late in reporting the withdrawal for this student. The effective date for this withdrawal was May 3, 2019; however, USciences first reported to NSLDS on September 21, 2019, 81 days late.

In its March 5, 2020 response to the program review report, USciences argued that it correctly reported the student's status, based on its date of determination that the student withdrew. USciences provided additional information that student # 7 attended the spring 2019 semester and, following the summer break, was scheduled to return to classes for the fall 2019 semester. When the student failed to return for the fall term, USciences properly reported her change in status, effective May 7, 2019, the end of the spring term.

Prior to the closure of this finding, USciences must update the NSLDS effective dates as detailed in Appendix C. A copy of the adjustment to each student's NSLDS record must be sent to Ms. DellaVecchia within 45 days of the date of this letter.

Campus Safety and Security Findings

The following program review findings have been addressed by the institution and may be considered closed for purposes of program review. The Department will provide a separate notice if an administrative action is initiated or additional corrective actions are needed.

¹ The Department relied on this form, as provided by USciences, in making the finding.

Finding # 6 – Crime Awareness Requirements Not Met

Final Determination:

The PRR cited USciences for failing to distribute a notice to all students and employees that included a statement of the 2019 ASR's availability and its exact electronic address, a description of its contents, as well as a statement that a paper copy would be provided upon request, in a timely manner. 34 C.F.R. § 668.41(e). In its official response, dated March 5, 2020, USciences acknowledged that students, faculty and staff were not notified of the updated ASR by the October 1 deadline. USciences provided detailed information outlining the actions taken to ensure compliance with the *Clery Act*. USciences provided its newly developed policies and procedures.

The Department has carefully examined USciences's response and supporting documentation. Based on that review, and USciences's submission, the violation identified in the noncompliance section of the initial finding is sustained. Subsequently, the review team's examination showed that the identified violations were satisfactorily addressed by the institution's response. The Department has also determined that USciences's corrective action plan to be satisfactory. For these reasons, the Department has accepted USciences's response and considers this finding to be closed for the purposes of this program review. Nevertheless, the officials and directors of USciences must continue to develop the institution's campus safety program and take any additional action that may be necessary to fully address the deficiencies and weaknesses identified by the Department, as well as any such deficiencies that were detected during the preparation of the institution's response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed for the purposes of this program review, it is necessary to remind USciences that the exceptions identified above constitute violations of the *Clery Act* that, by their nature, cannot be cured. By initiating corrective action, USciences has begun to remediate the conditions that led to these violations. The institution has stated that it has brought its overall campus security program into compliance with the *Clery Act*, as required by its Program Participation Agreement. Nevertheless, USciences officials must understand that compliance failures deprive students and employees of important campus security information to which they were entitled. For these reasons, the institution is advised that such corrective measures do not eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

The Department strongly recommends that USciences officials re-examine the school's campus safety and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. For example, USciences is reminded that it must take specific steps to document its efforts to comply with the Department's consumer information distribution requirements, including those that apply to the ASR. USciences officials are also

encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2016) as a reference guide on *Clery Act* compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides several other *Clery Act* training resources. The institution can access these materials at: www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finding # 7 – Drug and Alcohol Abuse Prevention Program Requirements Not Met

Final Determination:

The PRR cited USciences for the failure to conduct a biennial review, failure to prepare a report of findings for each review and failure to maintain its biennial review reports and supporting documents. 34 C.F.R. §86.100(b) 34 C.F.R. § 86.3, 34 C.F.R. § 86.100 and 34 C.F.R. § 86.103. In its official response dated March 5, 2020, USciences acknowledged that the Drug and Alcohol Abuse Prevention Program requirements were not met. The response and supporting documentation included:

- A copy of USciences's biennial review report that was approved by the institution's President and contained the results of the biennial review, a description of the methods and analysis tools that were used to conduct the biennial review, and a list of the responsible official(s) and office(s) who conducted the review.
- A copy of USciences's policies and procedures ensuring that each future biennial review of the institution's DAAPP is well-documented and conducted in a timely manner.

The Department carefully reviewed all information, including USciences's narrative response and supporting documentation. Based on that review, the violations noted in the initial finding are sustained. The Department's analysis also showed that the identified violations were, for the most part, satisfactorily addressed by USciences's new biennial review internal policies and procedures. As such, the Department has determined that USciences's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the USciences's response and considers this finding satisfied for purposes of this program review. Nevertheless, the officials of USciences must take any additional actions that may be necessary to address the deficiencies identified by the Department, as well as any other deficiencies or weaknesses that were detected during the preparation of the official response, and/or as may otherwise be needed to ensure that these violations do not recur.

USciences is again reminded that the exceptions identified above constitute violations of the *DFSCA* that, by their nature, cannot be cured. There is no way to truly "correct" violations of this type once they occur. The Department deems compliance with the

DFSCA to be essential to maintaining a safe and healthy learning environment. This is true for all institutions, regardless of their size, location, or organizational structure. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of drug and alcohol-related violent crime on campus, increased absenteeism, and a failure to successfully complete a program of study. *DFSCA* violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of illicit drug use and alcohol abuse and may also deprive institutions of important information about the effectiveness of any drug and alcohol programs that may have been in place during the review period and constitute a violation of Federal law. For these reasons, USciences is reminded that corrective measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Finally, the Department strongly recommends that USciences re-examine its DAAPP policies and procedures on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*. Please be advised that the Department may request information on a periodic basis to test the effectiveness of USciences' new policies and procedures.

Findings with Established Liabilities

The program review report findings with liabilities requiring further action are summarized below. At the conclusion of each finding is a summary of USciences' response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on January 6, 2020 is attached as Appendix A.

Finding # 3 – Incorrect Return of Title IV Funds (R2T4) Calculations/Policy

Summary of Noncompliance:

USciences incorrectly calculated the R2T4 returns for students # 1, 2, 3, 5, and 14. In addition, USciences' R2T4 policy was inadequate.

When a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1). A student is considered to have withdrawn from a payment period if, in the case of a program measured in credit hours, the student does not complete all the days in the payment period that the student was scheduled to complete. 34 C.F.R. § 668.22(a)(2)(i)(A).

The total number of calendar days in a payment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment

period. 34 C.F.R. § 668.22(f)(2). When determining the length of a scheduled break first determine the last day of class before a scheduled break, the next day is the first day of the scheduled break. The last day of the scheduled break is the day before the next class is held. Where classes end on a Friday and do not resume until Monday following a one-week break, both weekends (four days) and the five weekdays would be excluded from the R2T4 calculation. *See Federal Student Aid Handbook November 2018, Vol. 5, Chapter 2, page 5-78.*

Although USciences had a five-day break in the fall term, it failed to exclude those days from the R2T4 calculation, making it appear that the students completed a smaller percentage of the term and, thus, earned less Title IV aid for the term. Similarly, USciences had a nine-day break in the spring term but excluded only five days from the calculation. USciences failed to exclude the break periods in the calculations for students # 1, 2, 3, and 5.

For a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is the date, as determined by the institution, that the student began the withdrawal process prescribed by the institution or otherwise provided official notification to the institution of his or her intent to withdraw. If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the withdrawal date is the midpoint of the payment period. 34 C.F.R. § 668.22(c)(1).

USciences used an incorrect last date of attendance as the withdrawal date for students # 1 and 2.

The amount of Title IV grant or loan assistance that is earned by the student is calculated by determining the percentage of Title IV grant or loan assistance that was earned by the student and applying that percentage to the total amount of grant or loan assistance that was disbursed to the student. 34 C.F.R. § 668.22(e)(1). Federal Work-Study funds are not included in the calculation of earned Title IV funds when a student withdraws. *See Federal Student Aid Handbook November 2018, Vol. 5, Chapter 2, page 5-104.*

USciences improperly included Federal Work Study (FWS) funds as "aid disbursed" in the R2T4 calculation for student # 5.

Finally, USciences' R2T4 policy was inadequate. The R2T4 policy states, "The FAO is required by federal statute to recalculate federal financial aid eligibility for students who withdraw or take a leave of absence prior to completing 60 percent of a payment period or term." The policy is inadequate as an R2T4 calculation must be performed up to *and including* the 60 percent completion point. For the student to earn 100 percent of the Title IV aid disbursed, the student must complete *more than* 60 percent of the payment period.

The percentage of Title IV grant or loan assistance that have been earned by the student is equal to the percentage of the payment period the student completed as of the student's withdrawal date, if this date occurs on or before completion of 60 percent of the payment period for a program measured in credit hours; or 100 percent, if the student's withdrawal date occurs after. 34 C.F.R. § 668.22(e)(2).

Student #1 - The institutional documentation ("Notification of Student Separation from the University, Part 1 of 2") indicated the student's last date of attendance was October 1, 2018; however, the institution used a withdrawal date of October 2, 2018 in the R2T4 calculation. In addition, USciences failed to exclude the five-day break from the total number of days in the payment period. As a result of these errors, the R2T4 calculation was incorrect and the institution returned more Title IV funds than necessary.

Student #2 - The institutional documentation indicated the student's last date of attendance was November 14, 2018; however, the R2T4 calculation performed by the institution used a withdrawal date of November 15, 2018. USciences failed to exclude the five-day break for that payment period. While the calculation was incorrect, both the correct and incorrect calculations resulted in the student earning 100 percent of Title IV funds for that term.

Student #3 - The institution failed to exclude the correct number of days for the Spring 2019 term. USciences had a one-week break and the institution excluded five days from the payment period; however, it should have excluded nine days. Again, while the calculation was incorrect, both the correct and incorrect calculations resulted in the student earning 100 percent of Title IV funds for that term.

Student #5 - The student did not provide official notification of her intent to withdraw. Accordingly, USciences used the mid-point of the semester as the withdrawal date, but incorrectly included Federal Work Study program funds as aid disbursed in the R2T4 calculation. As a result of the error, the R2T4 calculation was incorrect.

Student #14 - The institution failed to exclude the five-day break from the total number of days in the payment period. As a result of the error, the R2T4 calculation was incorrect and the institution returned more Title IV funds than necessary.

An institution's failure to calculate correctly the return of Title IV funds and to return funds to the appropriate Title IV programs will result in additional expense for both the Department and the student.

Directives from the Program Review Report:

The Department required USciences to conduct a file review of all Title IV recipient students who received Title IV program funds and withdrew during the 2018-2019 award year, including the students cited in the finding. The purpose of this file review was to

determine whether USciences returned the proper amount of Title IV funds to the Department and to identify any additional Title IV funds that must be returned to the Department.

Additionally, the Department required USciences to update its R2T4 policy to reflect that an R2T4 calculation must be performed up to and including the 60 percent completion point.

Final Determination:

USciences incorrectly calculated the R2T4 returns for some students. In addition, USciences' R2T4 policy was inadequate.

In its March 5, 2020 program review response, USciences concurred with the finding. In its analysis of its R2T4 policies and procedures, USciences identified the following shortcomings: 1) USciences' SIS contained an inaccurate count of the days for each break; 2) the different colleges within USciences were each using a different form and collecting different information for student withdrawals; 3) the Financial Aid Office and the Registrar's Office were not using the same withdrawal date for students who failed to earn a passing grade; and 4) the SIS incorrectly included FWS funds in R2T4 calculations.

To correct these deficiencies, USciences updated its SIS to include the number of days in each semester, excluding breaks. USciences developed a uniform "Withdrawal Form" to be used across all colleges. USciences' new withdrawal form includes instructions for its use, as well as definitions for all terms used therein. USciences trained staff in the use of the new form. Additionally, USciences now requires faculty to enter a last date of attendance for students who do not complete a term. Finally, USciences ensured that FWS funds are now excluded from all R2T4 calculations.

Additionally, USciences conducted a file review to determine whether it returned the proper amount of Title IV funds for students who withdrew during the 2018-2019 award year. USciences' file review identified 23 students who withdrew during the 2018-2019 award year; there are additional Title IV funds due back to the programs for five of these students, as detailed in Appendix B.

USciences failed to make R2T4 returns of \$1,318.68 to the Federal Pell Grant program for one student. The Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department determined that the cost to the government of the unmade Federal Pell Grant return of funds is \$14.42. The result of that calculation is included as Appendix D.

USciences failed to make R2T4 returns of \$150.26 to the Federal Direct Loan program for four students. The Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest charges on those funds. The Department determined that the cost to the government of the unmade Federal Direct Loan return of funds is \$1.00. The result of that calculation is included as Appendix D.

The total liability for Finding # 1 is \$1,484.36. Instructions for the return of those funds are provided in Section E.

D. Summary of Liabilities

Established Liabilities		
Liabilities	Pell (Closed Award Year)	Direct Loan (Open Award Year)
Finding # 3	\$1,318.68	\$150.26
Interest	\$14.42	\$1.00
Total	\$1,333.10	\$151.26

E. Payment Instructions

1. Liabilities Owed to the Department

USciences owes to the Department \$1,484.36. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

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

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

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

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

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

The following identification data must be provided with the payment:

Amount:	\$1,484.36
DUNS:	079497681
TIN:	231352668
Program Review Control Number:	202010330101

The disbursement record for the students identified in Finding # 3 must be adjusted in the Common Origination and Disbursement (COD) system. 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 Ms. DellaVecchia within 45 days of the date of this letter.

William D. Ford Federal Direct Loan (Direct Loan) Liabilities:

Direct Loan Open Award Years

Finding # 3 (Appendices: B and D)

USciences must repay the following Direct Loan liabilities:

DL Open Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$150.26	\$1.00	2018-2019
Total Principal	Total Interest	
\$150.26	\$1.00	

The disbursement record for each student identified in Appendix B must be adjusted in COD based on the recalculated amount identified in the appendix. A copy of the adjustment to each student's COD record, as well as proof that the funds were returned through G5, if applicable, must be sent to Ms. DellaVecchia **within 45 days of the date of this letter.**

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.

Federal Pell Grant – Closed Award Year

Finding # 3 (Appendices: B and D)

USciences must repay the following Federal Pell Grant liabilities:

Pell - Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$1,318.68	\$14.42	\$1,484.36	2018-2019
Total Principal	Total Interest		
\$1,318.68	\$14.42		

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

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via 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 Ms. DellaVecchia within 45 days of the date of this letter.

F. Appendices

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



January 6, 2020

Dr. Paul Katz
President
University of the Sciences in Philadelphia
600 South 43rd Street
Philadelphia, PA 19104-4418

Sent via UPS and Email
UPS Tracking Number
1ZA879640294509348

RE: Program Review Report
OPE ID: 00335300
PRCN: 202010330101

Dear Dr. Katz:

From November 12, 2019 through November 14, 2019, the U.S. Department of Education's Office of Federal Student Aid conducted a review of the University of the Sciences in Philadelphia's (USciences') administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

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

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

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

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written

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

response will not be attached to the FPRD. However, it will be retained and available for inspection by USciences upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Ms. DellaVecchia of this office within 60 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

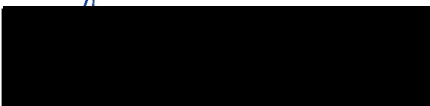
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. The appendix was encrypted and sent separately to the institution via e-mail. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

Record Retention:

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Ms. DellaVecchia at (215) 656-6444 or nancy.della.vecchia@ed.gov.

Sincerely,


Steven Marcucio
Compliance Manager

cc: , Director of Financial Aid

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

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

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

Hard copy and electronic files containing PII must be:

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

PII data cannot be sent via fax.

Prepared for
University of the Sciences in Philadelphia

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

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID: 00335300
PRCN: 202010330101

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

Program Review Report

January 6, 2020

Table of Contents

	Page
A. Institutional Information	3
B. Scope of Review	4
C. Findings	4
Finding # 1 – Inadequate Policy to Confirm Student Attendance	4
Finding # 2 – Inadequate Policy for Delivery of Student Credit Balances	7
Finding # 3 – Incorrect Return of Title IV Funds Calculations/Policy	8
Finding # 4 – Incorrect/Late National Student Loan Data System Reporting	11
Finding # 5 – Failure to Identify Federal Funds in Bank Account	12
Finding # 6 – Crime Awareness Requirements Not Met	13
Finding # 7 – Drug and Alcohol Abuse Prevention Program Requirements Not Met	14
D. Appendices	16
Appendix A: Student Sample	

A. Institutional Information

University of the Sciences in Philadelphia
 600 South 43rd Street
 Philadelphia, PA 19104-4495

Type: Private, Nonprofit

Highest Level of Offering: Doctorate

Accrediting Agency: Middle States Commission on Higher Education

Current Student Enrollment: 2,389 (2018-2019)

% of Students Receiving Title IV: 72.4% (2018-2019)

Title IV Participation:

Program	2017-2018	2016-2017	2015-2016
Pell Grant	\$1,624,261	\$1,640,080	\$1,866,630
TEACH	\$0	\$0	\$0
FDLP Stafford Subsidized	\$78,427	\$139,443	\$1,349,979
FDLP Stafford Subsidized SULA	\$3,390,376	\$3,736,559	\$3,066,918
FDLP Stafford Unsubsidized	\$19,427,623	\$21,305,458	\$21,293,729
FDLP PLUS	\$4,957,136	\$5,182,225	\$5,657,004
FDLP Grad Professional PLUS	\$11,425,754	\$11,216,155	\$9,130,909
Federal Perkins Loans	\$29,500	\$94,350	\$220,000
Federal Supplemental Educational Opportunity Grant	\$245,000	\$158,123	\$241,000
Federal Work Study	\$521,373	\$506,637	\$442,330
Total Title IV	\$41,699,450	\$43,979,030	\$43,268,499

Default Rate FFEL/DL: 2016 = 2.6%
 2015 = 1.8%
 2014 = 2.9%

Default Rate Perkins: 06/30/16 = 21.74%

B. Scope of Review

The U.S. Department of Education's (the Department) Office of Federal Student Aid conducted a program review at University of the Sciences in Philadelphia (USciences) from November 12, 2019 to November 14, 2019. The review was conducted by Ms. Nancy Della Vecchia, Mr. Manuel Loera and Ms. Gwen Deurell.

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

A sample of 18 files was identified for review from the 2018-2019 award year. The student files were selected randomly from the list of students who: 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning USciences' specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve USciences of its obligation to comply with the statutory and 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 USciences to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding # 1 – Inadequate Policy to Confirm Student Attendance

Noncompliance:

USciences failed to establish an adequate policy to confirm that students began attendance in each of the courses for which they registered.

At the time it makes a disbursement of Title IV funds, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA program funds disbursed. 34 C.F.R. § 668.164(b)(3).

If a student does not begin attendance in a payment period or period of enrollment, the institution must return all Title IV, HEA program funds that were credited to the student's account at the institution. 34 C.F.R. § 668.21(a)(1). The Secretary considers that a student has not begun attendance in a payment period or period of enrollment if the institution is unable to document the student's attendance at any class during the payment period or period of enrollment. 34 C.F.R. § 668.21(c).

If a student does not begin attendance in the period of enrollment, disbursed loan proceeds must be handled in accordance with 34 C.F.R. § 668.21. 34 C.F.R. § 685.303(b)(4).

If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance. 34 C.F.R. §690.80(b)(2)(ii).

USciences established a passive "Roster Verification" policy for determining whether a student began attending each semester. Every semester, the Registrar's Office requested that faculty review their class rosters, identify any registered students who had never attended the course, and notify the Registrar's Office of those students via email. If the Registrar's Office did not receive an email from a faculty member stating that a given student had never attended a course, the Registrar assumed that the student was in attendance from the beginning of the term.

For the fall 2018 semester the Registrar's Office sent this email to faculty on September 19, 2018, although USciences had already disbursed federal funds for the semester on September 4, 2018.

While the verification of attendance must ultimately come from faculty, this method of reporting to the Registrar via email was so loose that it left the Registrar with no means of determining whether the lack of a response from a faculty member meant that all registered students in his or her classes were attending, or, whether the faculty member had inadvertently overlooked the request. Indeed, the Registrar's Office seemed to recognize the possibility that a student who did not begin attendance could be missed under this method. In an email response to the Department's questions regarding attendance, the Registrar's Office stated, "If the Dean's Office determines retroactively that a student has *not* been attending in a term, they can indicate a last date of attendance *prior* to the start of that term..."

An institution's failure to determine whether a student began attending courses for which he or she enrolled may result in the student receiving Title IV funds to which he or she is not otherwise entitled.

Required Action:

USciences must conduct a file review of all Title IV recipient students who attended during the 2018-2019 award year who failed to earn a passing grade in either semester. The purpose of the file review is to determine if those students who received Title IV aid began attending in the payment periods for which they received Title IV funds. USciences may use any student attendance or academic records that are available to determine the students' eligibility during those timeframes. USciences must submit the results of its file review in a spreadsheet in an electronic format. The spreadsheet should include the following information:

1. Student Name;
2. Social Security Number;
3. Start Date at USciences;

USciences must complete the following analysis for each semester in which the student failed to earn a passing grade during the 2018-2019 award year.

4. Semester Attended;
5. Federal Pell Grant Funds Disbursed;
6. Federal Direct Subsidized Loan Funds Disbursed;
7. Federal Direct Unsubsidized Loan Funds Disbursed;
8. Federal Direct PLUS Loan Funds Disbursed;
9. Federal Supplemental Educational Opportunity Grant Funds Disbursed;
10. Did Student Begin Attendance in All Courses? (Y/N);
11. If N, Did Student's Enrollment Status Change? (Y/N);
12. If Y, Was Aid Disbursed in Accordance with Updated Enrollment Status? (Y/N);
13. Provide Updated Enrollment Status;
14. Did Student Complete the Semester? (Y/N);
15. If N, Student's Last Date of Attendance for the Semester;
16. Was a Return of Title IV Funds (R2T4) Due? (Y/N);
17. Federal Pell Grant Funds Returned;
18. Federal Direct Subsidized Loan Funds Returned;
19. Federal Direct Unsubsidized Loan Funds Returned;
20. Federal Direct PLUS Loan Funds Returned;
21. Federal Supplemental Educational Opportunity Grant Funds Returned;
22. Is there an outstanding R2T4 Amount Still Due? (Y/N);
23. Federal Pell Grant Funds Due;
24. Federal Direct Subsidized Loan Funds Due;
25. Federal Direct Unsubsidized Loan Funds Due;
26. Federal Direct PLUS Loan Funds Due; and
27. Federal Supplemental Educational Opportunity Grant Funds Due;

Do not leave blank cells within the spreadsheet; provide a response for each cell so that each horizontal line of the spreadsheet contains complete information.

Additionally, USciences must establish policies and procedures to ensure that it confirms that students have commenced attendance for each term. USciences must review the relevant procedures with the appropriate staff members to ensure that they are fully informed regarding their role in confirming student attendance. USciences must submit a copy of its updated procedures with its response to this program review report.

Finding # 2 – Inadequate Policy for Delivery of Student Credit Balances

Noncompliance:

USciences failed to implement a policy to deliver timely credit balance funds to students.

A Title IV, HEA credit balance occurs whenever the amount of Title IV, HEA program funds credited to a student's ledger account for a payment period exceeds the amount assessed the student for allowable charges associated with that payment period. The institution must pay the 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(h).

If an institution obtains written authorization from a student or parent, as applicable, the institution may hold on behalf of the student or parent any Title IV, HEA program funds that would otherwise be paid directly to the student or parent as a credit balance. 34 C.F.R. § 668.165(b)(1)(ii). Notwithstanding any authorization obtained by the institution, an institution must pay any remaining balance on loan funds by the end of the loan period and any other remaining Title IV, HEA program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165 (b) (5) (iii).

USciences failed to establish a policy to ensure that students had timely access to their Title IV credit balance funds. Instead USciences' credit balance procedures required that students wait until after the drop/add period was over and then make a request in order to receive their credit balances. Each semester USciences sent students whose accounts had a credit balance an email notifying them of the amount of the credit balance and asking the students if they wanted to receive the credit balance funds. Once the students requested the funds, it took approximately a week for the payment to be issued as it required internal approvals from multiple offices. Further, USciences did not obtain written authorization to hold the credit balance funds of the students who did not request the funds.

An institution may not require that students submit a request in order to receive their credit balance funds. Credit balance funds, by definition, belong to the student. The default position for every institution must be to deliver Title IV credit balance funds to students within 14 days of the date the balance occurred. A student may request, in writing, that USciences hold his or her credit balance.

USciences explained that it is currently amending its credit balance policy. For the spring 2020 semester, USciences plans to deliver all Title IV credit balance funds on February 3, 2020. Notwithstanding USciences' plan to standardize the delivery of credit balance to all students on February 3, USciences must ensure that it delivers all Title IV credit balance funds to students with 14 days of the date the balance occurred.

An institution's failure to provide credit balance funds to students promptly may cause financial hardship for the students because it deprives them of access to their own funds.

Required Action:

USciences must provide the following information for all students who had a Title IV credit balance for the spring 2020 semester:

1. Student Name;
2. Social Security Number;
3. Spring 2020 Title IV Credit Balance Amount;
4. Date Credit Balance Occurred; and
5. Date Credit Balance Funds Delivered to Student.

Additionally, USciences must establish policies and procedures to ensure that it timely delivers credit balance funds to students. USciences must review the relevant procedures with the appropriate staff members to ensure that they are fully informed regarding their role in processing Title IV credit balance funds. USciences must submit a copy of its updated procedures with its response to this program review report.

Finding # 3 – Incorrect Return of Title IV Funds (R2T4) Calculations/Policy

Noncompliance:

USciences incorrectly calculated the R2T4 returns for students # 1, 2, 3, 5, and 14. In addition, USciences' R2T4 policy was inadequate.

When a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1). A student is considered to have withdrawn from a payment period if, in the case of a program measured in credit hours, the student does not complete all the days in the payment period that the student was scheduled to complete. 34 C.F.R. § 668.22(a)(2)(i)(A).

The total number of calendar days in a payment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period. 34 C.F.R. § 668.22(f)(2). When determining the length of a scheduled break first determine the last day of class before a schedule break, the next day is the first day of the scheduled break. The last day of the scheduled break is the day before the next class is held. Where classes end on a Friday and

do not resume until Monday following a one-week break, both weekends (four days) and the five weekdays would be excluded from the R2T4 calculation. *See Federal Student Aid Handbook November 2018, Vol. 5, Chapter 2, page 5-78.*

Although USciences had a five-day break in the fall term, it failed to exclude those days from the R2T4 calculation, making it appear that the students completed a smaller percentage of the term

and, thus, earned less Title IV aid for the term. Similarly, USciences had a nine-day break in the spring term but excluded only five days from the calculation. USciences failed to exclude the break periods in the calculations for students # 1, 2, 3, and 5.

For a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is the date, as determined by the institution, that the student began the withdrawal process prescribed by the institution or otherwise provided official notification to the institution of his or her intent to withdraw. If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the withdrawal date is the midpoint of the payment period. 34 C.F.R. § 668.22(c)(1).

USciences used an incorrect last date of attendance as the withdrawal date for students # 1 and 2.

The amount of Title IV grant or loan assistance that is earned by the student is calculated by determining the percentage of Title IV grant or loan assistance that was earned by the student and applying that percentage to the total amount of grant or loan assistance that was disbursed to the student. 34 C.F.R. § 668.22(e)(1). Federal Work-Study funds are not included in the calculation of earned Title IV funds when a student withdraws. *See Federal Student Aid Handbook November 2018, Vol. 5, Chapter 2, page 5-104.*

USciences improperly included Federal Work Study (FWS) funds as "aid disbursed" in the R2T4 calculation for student # 5.

Finally, USciences' R2T4 policy is inadequate. The R2T4 policy states, "The FAO is required by federal statute to recalculate federal financial aid eligibility for students who withdraw or take a leave of absence prior to completing 60 percent of a payment period or term." The policy is inadequate as an R2T4 calculation must be performed up to *and including* the 60 percent completion point. For the student to earn 100 percent of the Title IV aid disbursed, the student must complete *more than* 60 percent of the payment period.

The percentage of Title IV grant or loan assistance that have been earned by the student is equal to the percentage of the payment period the student completed as of the student's withdrawal date, if this date occurs on or before completion of 60 percent of the payment period for a program measured in credit hours; or 100 percent, if the student's withdrawal date occurs after. 34 C.F.R. § 668.22(e)(2).

The student level details are as follows:

Student #1 - The institutional documentation (“Notification of Student Separation from the University, Part 1 of 2”) indicated the student’s last date of attendance was October 1, 2018; however, the institution used a withdrawal date of October 2, 2018 in the R2T4 calculation. In addition, USciences failed to exclude the five-day break from the total number of days in the payment period. As a result of these errors, the R2T4 calculation was incorrect and the institution returned more Title IV funds than necessary.

Student #2 - The institutional documentation indicated the student’s last date of attendance was November 14, 2018; however, the R2T4 calculation performed by the institution used a withdrawal date of November 15, 2018. USciences failed to exclude the five-day break for that payment period. While the calculation was incorrect, both the correct and incorrect calculations resulted in the student earning 100 percent of Title IV funds for that term.

Student #3 - The institution failed to exclude the correct number of days for the Spring 2019 term. USciences had a one-week break and the institution excluded five days from the payment period; however, it should have excluded nine days. Again, while the calculation was incorrect, both the correct and incorrect calculations resulted in the student earning 100 percent of Title IV funds for that term.

Student #5 - The student did not provide official notification of her intent to withdraw. Accordingly, USciences used the mid-point of the semester as the withdrawal date, but incorrectly included Federal Work Study program funds as aid disbursed in the R2T4 calculation. As a result of the error, the R2T4 calculation was incorrect.

Student #14 - The institution failed to exclude the five-day break from the total number of days in the payment period. As a result of the error, the R2T4 calculation was incorrect and the institution returned more Title IV funds than necessary.

An institution’s failure to calculate correctly the return of Title IV funds and to return funds to the appropriate Title IV programs will result in additional expense for both the Department and the student.

Required Action:

USciences must conduct a file review of all Title IV recipient students who received Title IV program funds and withdrew during the 2018 – 19 award year, including the students cited in this finding. The purpose of this file review is to determine whether USciences returned the proper amount of Title IV funds to the Department and to identify any additional Title IV funds that must be returned to the Department. USciences must compile the results of the file review in a spreadsheet. The results of the file review must be submitted electronically along with its response to the program review report.

The file review must contain the following columns:

1. Student Name;
2. Social Security Number;
3. Withdrawal Date/Last Date of Attendance;
4. Correct Withdrawal Date/Last Date of Attendance (if applicable);
5. Was the calculation correct? (y/n);
6. Was a recalculation completed? (y/n);
7. Additional Title IV funds to be returned based on the new calculation (if applicable);
8. Additional amount to be returned by program (i.e. Pell Grant, Subsidized Direct Loan, etc.) (if applicable).

Additionally, USciences must update its R2T4 policy to reflect that an R2T4 calculation must be performed up to and including the 60 percent completion point. The update must be submitted along with the institution's response to the program review report.

Instructions for the repayment of any determined liability, including performing downward adjustments in the Common Origination and Disbursement (COD) system, will be provided in the Final Program Review Determination Letter.

Finding # 4 – Incorrect/Late National Student Loan Data System Reporting

Noncompliance:

Upon receipt of an enrollment report from the Department, a school must update all information included in the report and return the report to the Department in the manner and format prescribed and within the timeframe prescribed. 34 C.F.R. § 685.309(b). Further, unless a school expects to submit its next updated enrollment report within the next 60 days, a school must notify the Department within 30 days after the date the school discovers that a Title IV, HEA program loan 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 a student is enrolled at the school and who received a Title IV, HEA program loan has changed his or her permanent address. 34 C.F.R. § 685.309(b)(2). If a student ceases attendance without providing notification to the institution of his/her withdrawal, the mid-point of the payment period may be used as the withdrawal date. See 34 C.F.R. § 668.22(c)(1)(iii).

USciences reported incorrect withdrawal dates for two students and reported one withdrawal date late.

Student #4 - USciences reported the student withdrew effective August 27, 2018; however, institutional documentation shows the effective withdrawal date as July 25, 2018.

Student #5 - USciences reported the student withdrew effective December 14, 2018; however, the student ceased attendance without providing notification to the institution and the institutional policy is to use the mid-point of the term as the withdrawal date.

Student # 7 - USciences was late in reporting the withdrawal for this student. The effective date for this withdrawal was May 3, 2019; however, the information was first reported to NSLDS on September 21, 2019, 81 days late.

Accurate enrollment information is a vital component of the Federal Student Loan Programs. The information reported to NSLDS determines if the student is still considered in school, must be moved into repayment, or is eligible for an in-school deferment. For students moving into repayment, the out of school effective date determines when the grace period begins and how soon a student must begin repaying Federal Student Loans.

Required Action:

USciences must conduct a file review of all Title IV recipient students who received Title IV program funds and withdrew during the 2018 – 19 award year to determine if the enrollment status was reported accurately and timely to NSLDS. USciences must compile the results of the file review in a spreadsheet. The results of the file review must be submitted electronically along with its response to the program review report.

The file review must contain the following columns:

1. Student Name;
2. Social Security Number;
3. Enrollment Status;
4. Effective Date Reported;
5. Enrollment Status Reported Correctly? (y/n); and
6. Reported Timely? (y/n).

Additionally, USciences must review its policies and procedures to ensure they are sufficient to prevent the recurrence of this finding. Any updates must be submitted along with the institution's response to the program review report.

Finding # 5 – Failure to Identify Federal Funds in Bank Account

Noncompliance:

For each depository account that includes Title IV, HEA program funds, an institution located in a State must clearly identify that Title IV, HEA program funds are maintained in that account by:

- Including in the name of each depository account the phrase, "Federal Funds"; or
- Notifying the depository institution that the depository account contains Title IV, HEA program funds that are held in trust and retaining a record of that notice; and (except for a public institution located in a State or a foreign institution) filing with the appropriate State or municipal government entity a UCC-1 statement disclosing that the depository account contains federal funds and maintaining a copy of that statement. 34 C.F.R. § 668.163(a)(2).

USciences failed to identify that its bank account included Title IV funds.

An institution's failure to clearly identify Title IV funds may increase the risk for the misuse of federal funds.

Required Action:

USciences must notify its bank of any of its accounts that contain Title IV, HEA program funds by one of the two methods identified above. USciences must provide documentation to that effect with its response to this program review report.

Finding # 6 – Crime Awareness Requirements Not Met

Noncompliance:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46(b).

The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery or campus mail distribution to the individual, or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as a statement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and prospective employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The ASR also must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources, as well as channels for victims of crime to seek recourse. In general, these policies must include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. An institution that provides on-campus housing must include a statement of policy regarding missing student notification procedures. Institutions must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required information referenced in 34 C.F.R. § 668.46(b) must be published in the ASR. Except for certain drug and alcohol program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. 34 C.F.R. § 668.46(b).

Although USciences timely posted its 2019 ASR on its website (which covers the years 2016, 2017 and 2018), USciences violated the Clery Act by failing to distribute a notice to all students and employees that included a statement of the 2019 ASR's availability and its exact electronic address, a description of its contents, as well as a statement that a paper copy would be provided upon request, in a timely manner. 34 C.F.R. § 668.41(e). In an interview with the Director of Campus Safety, he stated that sending the ASR notification was his responsibility and that he failed to send the 2019 ASR notification on or before the October 1, 2019 required date. A review of the proof of distribution email provided by USciences showed that the 2019 ASR notification was sent on November 11, 2019. Based on the interview and documentation provided, it was determined by the review team that the 2019 ASR notification to students and employees was sent late and past the October 1, 2019 federally required deadline.

Required Action:

USciences must develop and implement new policies and procedures that will govern the distribution of its ASR's and ensure that all facets of the process are carried out in a manner that meets federal regulations.

The institution will also be required to provide documentation to the Department evidencing the new distribution policies and procedures.

Finding # 7 – Drug and Alcohol Abuse Prevention Program Requirements Not Met

Noncompliance:

The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) that receives Federal education funding to certify that it has developed and implemented a Drug and

Alcohol Abuse Prevention Program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of illicit drugs and alcohol abuse on campus and at recognized events and activities.

On an annual basis, each IHE must provide the following information, in writing, to all current students (enrolled for any type of academic credit except continuing education units) and all current employees:

- A written statement about its standards of conduct that clearly prohibits, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;
- A written description of the applicable legal sanctions under local, state, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and

- A clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with local, state, and Federal law) and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For the purpose of this section, a disciplinary sanction may include the required completion of an appropriate treatment program.

Federal regulations require each institution to conduct biennial reviews to measure the effectiveness of its DAAPP, and to ensure consistent treatment in its enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and

employees found to be in violation. The institution must prepare a report of findings for each review and maintain its biennial review reports and supporting documents and make them available to the Department upon request. 34 C.F.R. § 86.3, 34 C.F.R. § 86.100 and 34 C.F.R. § 86.103.

USciences violated the DFSCA and the Department's Part 86 regulations by failing to conduct a biennial review. 34 C.F.R. §86.100(b). Although USciences has a DAAPP and provided a timely notice to the campus community of the DAAPP availability and location, the institution did not, and has never, conducted a biennial review to measure the effectiveness of their DAAPP to ensure consistent treatment in its enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The institution failed to prepare a report of findings for each review and failed to maintain its biennial review reports and supporting documents. 34 C.F.R. § 86.3, 34 C.F.R. § 86.100 and 34 C.F.R. § 86.103.

During an interview with the institution's Vice President for Student Affairs, Dean of Students, he stated that the DAAPP, annual distribution and biennial review were his responsibility. He further stated that USciences was not in compliance with the DFSCA's DAAPP requirements as at no time had a biennial review been completed.

The failure to comply with the biennial review requirements deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action:

USciences must take all necessary corrective actions to resolve these violations. USciences must conduct a biennial review to assess the effectiveness of its DAAPP and evaluate the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct related to drugs and alcohol. USciences must describe the research methods and data analysis tools used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. The biennial review report must be approved by the

institution's Chief Executive and/or its Board. The biennial review and report must also be submitted to the Department with its responses to the program review report.

Additionally, USciences must establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented to ensure that these violations do not recur.

D. Appendices

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