January 10, 2019

Cynthia M. Swineford
Vice President
Southside College of Health Sciences
430 Clairmont Court, Suite 200
Colonial Heights, VA 23834

UPS Tracking # 1ZA879640296950152

RE: **Program Review Report**
OPE ID: 01274400
PRCN: 201840329904

Dear Ms. Swineford:

From August 20, 2018 through August 24, 2018, Ms. Latasha Eley, Mr. Kenneth Porter, and Mr. Robert Scott conducted a review of Southside College of Health Science's (SCHS) 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 SCHS. The response should include a brief, written narrative for each finding that clearly states SCHS's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, SCHS 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 report[1] and relevant materials related to the report before any final program review report is issued;
(2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
    a. A written statement addressing the institution's response;
    b. A written statement of the basis for such report or determination; and
    c. A copy of the institution's response.

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

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by SCHS 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 Latasha Eley 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 Latasha Eley at 202.377.4520 or latasha.eley@ed.gov.

Sincerely,

[redacted]
Division Director

cc: Celeste Felton, Financial Aid Director
Erica Jackson, Director of Enrollment Management
Meg McCarter, Director of Business Operations

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

Prepared for
Southside College of Health Sciences

Federal Student Aid
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OPE ID: 01274400
PRCN: 201840329904

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

Program Review Report
January 9, 2019

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

Table of Contents

A. Institutional Information

Southside College of Health Sciences
430 Clairmont Court, Suite 200
Colonial Heights, VA 23834

Type: Private

Highest Level of Offering: Associate's Degree

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 144 (2017-2018)

% of Students Receiving Title IV: 89.6% (2017-2018)

Title IV Participation: (2017-2018)	
Federal Pell Grant (Pell)	$211,068.00
Federal Direct Loan Program (FDLP)	$619,080.00
Total:	$830,148.00

Default Rates Direct Loan:	2014	1.4%
	2013	1.7%
	2012	5.9%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Southside College of Health Sciences (SCHS) from August 20, 2018 to August 24, 2018. The review was conducted by Ms. Latasha Eley, Mr. Kenneth Porter, and Mr. Robert Scott.

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

A sample of 30 files was identified for review from the 2016-2017 and 2017-2018 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

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

Finding #1: Incorrect Return of Title IV (R2T4) Calculations

<u>Noncompliance:</u>

When a recipient of Title IV funds withdraws from an institution during a payment period in which the recipient began attendance, the institution must determine the amount of Title IV assistance that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1).

The amount of Title IV funds earned by the student is calculated by determining the percentage of Title IV funds that was earned by the student. The institution must apply this percentage to the total Title IV funds disbursed (or funds that could have been disbursed to the student) for the payment period or the period of enrollment as of the student's withdrawal date. 34 C.F.R. § 668.22(e)(1). The percentage of the Title IV funds that have been earned by the student is equal to the percentage of the payment period or period of enrollment completed as of the student's withdrawal date if the date occurs on or before the completion of 60 percent of the payment period or period of enrollment for a program. The percentage of Title IV funds that have not been earned by the student is calculated by determining the complement of the amount of Title IV funds earned by the student. 34 C.F.R. § 668.22(e).

The percentage of the payment period or period of enrollment completed is determined for a program that is measured in credit hours by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date. The total number of calendar days in the payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except scheduled breaks of at least five consecutive days, which should be excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. 34 C.F.R. § 668.22(f).

SCHS used the incorrect total number of days in the payment period, when making the R2T4 calculations for student #1, 4, 6, 7, and 8. Specifically, SCHS used May 5, 2017, a date not published in the 2016-2017 SCHS Academic Calendar, as the scheduled end date for the Spring 2017 semester. As a result of this error, the institution used 117 as the total number of days in the payment period instead of 107 days (if April 25, 2017, listed as the last day of classes in the 2016-2017 SCHS Academic Calendar, had been used) or 113 days (if May 1, 2017, listed as the last day of final exams in the 2016-2017 SCHS Academic Calendar, had been used).

Required Action:

SCHS must conduct a file review of all students who withdrew from the institution and who required a R2T4 calculation during the 2016-2017 award year.

If a R2T4 calculation has already been completed for a student, SCHS must complete a revised R2T4 calculation using the correct payment period end date for all students who withdrew from the institution. A copy of the Return of Title IV (R2T4) calculations must be submitted with its response to the program review report.

The institution must provide the results of the file review in a spreadsheet and include the following data:

1. Student Name;
2. Social Security Number;
3. Last Day of Attendance;
4. Date of Determination of Student Withdrawal;
5. Aid Disbursed by Program (i.e. Federal Pell Grant, Subsidized Direct Loan, etc.);
6. Aid That Could Have Been Disbursed by Program (if applicable);
7. Scheduled End Date Used in Original R2T4 Calculation;

8. Correct End Date;
9. Number of Completed Days Used in the Original R2T4 Calculation;
10. Correct Number of Completed Days in the Payment Period;
11. Number of Total Days in the Payment Period used in the Original R2T4 Calculation;
12. Correct Number of Total Days in the Payment Period;
13. Percentage Earned in the Payment Period of the Original R2T4 Calculation;
14. Correct Percentage Earned in the Payment Period;
15. Amount of Title IV Aid Earned by the Student in the Original R2T4 Calculation;
16. Correct Amount of Title IV Aid Earned by the Student;
17. Institutional Charges;
18. Amount for School to Return in the Original R2T4 Calculation;
19. Correct Amount for School to Return;
20. Return of Funds by the School for Each Title IV Program in the Original R2T4 Calculation; and
21. Correct Amount of Funds for the School to Return to Each Title IV Program.

SCHS must provide the spreadsheet in both hard copy and electronic formats with its response to this program review report.

Further, SCHS must review its policies and procedures to ensure R2T4 calculations are completed correctly. The institution must submit a copy of the revised policies and procedures with its response to the program review report.

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

Finding #2: Inaccurate Enrollment Reporting to NSLDS

Noncompliance:

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 in the manner and format prescribed by the Secretary; and within the timeframe prescribed by the Secretary. Unless the school 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 the school discovers that a borrower 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 if the student failed to enroll on at least a half-time basis for the period for which the loan was intended. 34 C.F.R. § 685.309(b).

All schools participating in the Federal Student Aid (FSA) programs must have some arrangement to report student enrollment to the NSLDS through a Roster file (formerly called the SSCR). Accurate and timely reporting of student information is extremely important because it is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in school deferment. The Department also uses the enrollment data schools provide in NSLDS, including completion data, for evaluating the effectiveness of the Title IV programs. For students moving into repayment, the out of school status effective date determines when the grace period begins and how soon a student must begin repaying loan funds.

Note: On July 1, 2014, the Department began requesting enrollment information from schools every 60 days and schools are required to respond to those requests **within 15 days** of the date that the Department sent the enrollment reporting roster to the school.

SCHS failed to accurately report the enrollment status of student #7 and 19 in NSLDS.

SCHS failed to report the withdrawal date in NSLDS for student #7. Specifically, SCHS withdrew student #7 from the institution during the Spring 2017 semester. The semester started January 9, 2017 and ended May 5, 2017. SCHS provided to the Department a copy of the student's R2T4 Calculation Worksheet, which reported the student's withdrawal date as March 2, 2017. A copy of the student's NSLDS enrollment detail report shows the student's enrollment status as "No Record Found" with an effective date of January 2, 2017, certified on January 2, 2017, February 1, 2017, and June 1, 2017.

SCHS reported the incorrect withdrawal date in NSLDS for student #19. Specifically, SCHS withdrew student #19 from the institution during the Fall 2017 semester. The semester started August 28, 2017 and ended December 14, 2017. SCHS provided a copy of the student's R2T4 Calculation Worksheet, which reported the student's withdrawal date as December 5, 2017. A copy of the student's NSLDS enrollment detail report shows SCHS reported the student's enrollment status as "Withdrawn" with an effective date of December 14, 2017, certified on January 19, 2018, February 19, 2018, and May 14, 2018.

Enrollment reporting is critical for the effective administration of Federal loans and the accuracy of student loan records depends heavily on the information reported by the institution. An institution is ultimately responsible for timely and accurate reporting. An institution's failure to report student enrollment status data timely and accurately to NSLDS may delay or prevent the student's eligibility for deferments, grace periods, repayments, and the payment of interest subsidies.

<u>Required Action:</u>

SCHS must correct the withdrawal date for student #7 and 19 in NSLDS and SCHS also must provide copies of the corrected withdrawal dates for these students with its response to the program review report.

SCHS should review its NSLDS reporting policies and procedures to ensure that accurate information is reported to NSLDS. SCHS must submit a copy of any revisions to its policies and procedures with its response to this report.

Finding #3: Inaccurate Disbursement Data Reported to COD

Noncompliance:

An institution must submit Federal Pell Grant disbursement records no later than 30 days after making a Federal Pell Grant disbursement or becoming aware of the need to adjust a student's previously reported Federal Pell Grant disbursement. Federal Pell Grant funds are disbursed on the date that the institution credits those funds to a student's account at the institution or pays those funds directly to the student. The Department considers that Federal Pell Grant funds are disbursed even if an institution uses its own funds in advance of receiving program funds from the Department. An institution's failure to submit disbursement records within the required 30-day timeframe may result in an audit or program review finding. In addition, the Department may initiate an adverse action, such as a fine or other penalties for such failure, in accordance with subpart G of part 668. Federal Register, Volume 77, Number 126, 38785.

An actual disbursement of Title IV funds occurs on the date that the school credits a student's account at the institution or pays a student or parent directly with funds received from the Department, funds received from a lender under the FFEL Programs, or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164 (a)(1).

A school participating in the Direct Loan Program must ensure that any information it provides to the Department in connection with loan origination is complete and accurate. Additionally, an institution must provide to the Department borrower information that includes, but is not limited to the borrower's eligibility for a loan; the student's loan amount; and the anticipated and actual disbursement dates and disbursement amounts of the loan proceeds. 34 C.F.R. §685.301(a)(1) and (2).

SCHS did not report accurate disbursement information to the Common Origination and Disbursement System (COD) for 15 students during the 2016-2017 award year and 10 students during the 2017-2018 award year.

SCHS reported the incorrect disbursement amount in COD for student #8 and 24.

SCHS posted $353 in Unsubsidized Loan funds to the account ledger for student #8, but reported a $301 net Unsubsidized Loan disbursement to COD. SCHS posted $1583 to the account ledger for student #24, but reported a $1553.00 net Subsidized Loan disbursement to COD.

Additional student specific details are provided in the below chart:

Inaccurate COD Reporting					
Student No.	Award Year	Title IV Program	Amount Disbursed	Disbursement Dates	
				Student Ledger	COD
1.	2016-2017	Unsubsidized Direct Loan	$1,732	01/13/2017	01/09/2017
2.	2016-2017	Unsubsidized Direct Loan	$771.00	09/01/2016	08/24/2016
		Subsidized Direct Loan	$1,155.00	09/01/2016	08/24/2016
		Federal Pell Grant	$345.00	09/01/2016	08/22/2016

Inaccurate COD Reporting					
Student No.	Award Year	Title IV Program	Amount Disbursed	Disbursement Dates	
				Student Ledger	COD
3.	2016-2017	Unsubsidized Direct Loan	$2,954.00	09/01/2016	08/24/2016
4.	2016-2017	Federal Pell Grant	$970.00	09/01/2016	08/22/2016
		Federal Pell Grant	$439.00	01/13/2017	03/06/2017
5.	2016-2017	Unsubsidized Direct Loan	$2,432.00	09/01/2016	8/24/2016
		Unsubsidized Direct Loan	$1,526.00	05/17/2017	05/15/2017
		Subsidized Direct Loan	$1,155.00	09/01/2016	08/24/2016
		Subsidized Direct Loan	$2,309.00	05/17/2017	05/15/2017
		Federal Pell Grant	$988.00	09/01/2016	12/15/2016
		Federal Pell Grant	$123.00	02/22/2017	12/15/2016
		Federal Pell Grant	$1,112.00	01/13/2017	03/02/2017
		Federal Pell Grant	$742.00	05/17/2017	05/15/2017
6.	2016-2017	Unsubsidized Direct Loan	$1155.00	08/24/2016	09/01/2016
		Unsubsidized Direct Loan	$1430.00	08/24/2016	09/01/2016
		Unsubsidized Direct Loan	$1275.00	08/24/2016	09/01/2016
7.	2016-2017	Federal Pell Grant	$556	01/13/2017	03/06/2017
8.	2016-2017	Unsubsidized Direct Loan	$1425.00	09/01/2016	08/24/2016
		Unsubsidized Direct Loan	$1275.00	09/01/2016	08/24/2016
		Unsubsidized Direct Loan	$1425.00	01/13/2017	01/09/2017
		Unsubsidized Direct Loan	$353.00	01/13/2017	01/09/2017
		Subsidized Direct Loan	$1155.00	09/01/2016	08/24/2016
		Subsidized Direct Loan	$1155.00	01/13/2017	01/09/2017
9.	2016-2017	Unsubsidized Direct Loan	$1706.00	01/13/2017	01/09/2017
		Subsidized Direct Loan	$1732.00	01/13/2017	01/09/2017
10.	2016-2017	Unsubsidized Direct Loan	$1339.00	09/01/2016	08/24/2016
		Unsubsidized Direct Loan	$641.00	01/13/2017	01/09/2017
		Subsidized Direct Loan	$1155.00	09/01/2016	08/24/2016
		Subsidized Direct Loan	$1226.00	01/13/2017	01/09/2017
		Subsidized Direct Loan	$1083.00	05/17/2017	05/15/2017
		Federal Pell Grant	$1416.00	09/01/2016	12/20/2016
		Federal Pell Grant	$709.00	02/22/2017	12/20/2016
		Federal Pell Grant	$2833.00	05/17/2017	05/15/2017
11.	2016-2017	Unsubsidized Direct Loan	$774.00	09/01/2016	08/24/2016
		Unsubsidized Direct Loan	$1484.00	09/01/2016	08/24/2016
		Unsubsidized Direct Loan	$1205.00	01/13/2017	01/09/2017
		Unsubsidized Direct Loan	$1693.00	01/13/2017	01/09/2017
		Unsubsidized Direct Loan	$1276.00	05/17/2017	05/15/2017

Inaccurate COD Reporting					
Student No.	Award Year	Title IV Program	Amount Disbursed	Disbursement Dates	
				Student Ledger	COD
12.	2016-2017	Subsidized Direct Loan	$2081.00	07/13/2017	05/17/2017
		Federal Pell Grant	$874.00	07/13/2017	07/07/2017
13.	2016-2017	Federal Pell Grant	$2181.00	09/01/2016	08/22/2016
14.	2016-2017	Unsubsidized Direct Loan	$1041.00	01/13/2017	01/09/2017
		Unsubsidized Direct Loan	$495.00	01/13/2017	01/09/2017
15.	2016-2017	Subsidized Direct Loan	$495.00	09/01/2016	08/24/2016
16.	2017-2018	Unsubsidized Direct Loan	$580.00	9/12/2017	8/28/2017
		Unsubsidized Direct Loan	$994.00	01/18/2018	01/08/2018
		Federal Pell Grant	$560.00	09/12/2017	08/30/2017
17.	2017-2018	Unsubsidized Direct Loan	$1979.00	08/31/2017	08/28/2017
		Unsubsidized Direct Loan	$1979.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1766.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$1697.00	01/18/2018	01/08/2018
	2017-2018	Federal Pell Grant	$986.00	08/30/2017	08/28/2017
		Federal Pell Grant	$987.00	01/18/2018	01/08/2018
		Federal Pell Grant	$106.00	05/17/2018	05/15/2018
21.	2017-2018	Subsidized Direct Loan	$1537.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$444.00	01/18/2018	01/08/2018
		Federal Pell Grant	$1974.00	08/30/2017	08/28/2017
		Federal Pell Grant	$620.00	01/18/2018	01/08/2018
24.	2017-2018	Unsubsidized Direct Loan	$2287.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1880.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1583.00	05/21/2018	05/14/2018
		Federal Pell Grant	$1480.00	01/28/2018	01/08/2018
		Federal Pell Grant	$1480.00	05/17/2018	05/14/2018
25.	2017-2018	Unsubsidized Direct Loan	$809.00	08/31/2017	08/28/2017
		Unsubsidized Direct Loan	$2491.00	08/31/2017	08/28/2017
		Unsubsidized Direct Loan	$478.00	01/18/2018	01/08/2018
26.	2017-2018	Unsubsidized Direct Loan	$1285.00	01/18/2018	01/08/2018
		Unsubsidized Direct Loan	$695.00	05/21/2018	05/14/2018
		Unsubsidized Direct Loan	$1838.00	01/18/2018	01/08/2018
		Unsubsidized Direct Loan	$2121.00	05/21/2018	05/14/2018
		Subsidized Direct Loan	$1732.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1732.00	05/21/2018	05/14/2018
		Federal Pell Grant	$2535.00	01/18/2018	01/08/2018
		Federal Pell Grant	$1268.00	05/17/2018	05/14/2018
27.	2017-2018	Unsubsidized Direct Loan	$453.00	08/31/2017	08/28/2017
		Unsubsidized Direct Loan	$826.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$1484.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$1484.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1484.00	05/21/2018	05/14/2018
28.	2017-2018	Subsidized Direct Loan	$1593.00	08/31/2017	08/28/2017

Inaccurate COD Reporting					
Student No.	Award Year	Title IV Program	Amount Disbursed	Disbursement Dates	
				Student Ledger	COD
		Subsidized Direct Loan	$1820.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$1220.00	07/31/2018	05/14/2018
		Federal Pell Grant	$1480.00	08/30/2017	08/28/2017
		Federal Pell Grant	$1480.00	01/18/2018	01/08/2018
		Federal Pell Grant	$1480.00	05/17/2018	05/14/2018
29.	2017-2018	Unsubsidized Direct Loan	$1485.00	09/12/2017	08/28/2017
		Subsidized Direct Loan	$1155.00	09/12/2017	08/28/2017
		Subsidized Direct Loan	$1154.00	01/18/2018	01/08/2018
30.	2017-2018	Unsubsidized Direct Loan	$990.00	08/31/2017	08/28/2017
		Unsubsidized Direct Loan	$1979.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$1732.00	08/31/2017	08/28/2017
		Subsidized Direct Loan	$1732.00	01/18/2018	01/08/2018
		Subsidized Direct Loan	$202.00	05/21/2018	05/14/2018

An institution's failure to report accurate disbursement dates in COD may result in undue interest charges for the student, the parent borrower, or the Department.

Required Action: SCHS must conduct a file review of all 2016-2017 and 2017-2018 Title IV recipients to determine if accurate disbursement dates have been reported to COD. The institution must update any inaccurate disbursement dates it identifies within COD, so that they reflect the date the institution credited the students' accounts.

SCHS must compile the results of the file review in a spreadsheet in both hard copy and electronic formats. The institution must submit the results of the file review with its response to the Program Review Report. The file review must be submitted in a spreadsheet in the following format:

Student Name	Social Security Number	Amount of Federal Pell Grant Disbursed	Date Federal Pell Grant Disbursed to Student's Billing Record	Disbursement Date Reported to COD	Date Reported Accurately? Yes/No	If No, Disbursement Date Updated in COD?

Amount of Subsidized Direct Loan Disbursed	Date Subsidized Direct Loan Disbursed to Student's Billing Record	Disbursement Date Reported to COD	Date Reported Accurately? Yes/No	If No, Disbursement Date Updated in COD?

Amount of Unsubsidized Direct Loan Disbursed	Date Unsubsidized Direct Loan Disbursed to Student's Billing Record	Disbursement Date Reported to COD	Date Reported Accurately? Yes/No	If No, Disbursement Date Updated in COD?

Amount of PLUS Direct Loan Disbursed	Date PLUS Direct Loan Disbursed to Student's Billing Record	Disbursement Date Reported to COD	Date Reported Accurately? Yes/No	If No, Disbursement Date Updated in COD?

SCHS must review its policies and procedures to ensure they are sufficient to prevent a recurrence of this finding. The institution must submit a copy of its revised policies and procedures with its response to the Program Review Report.

Finding #4: Inadequate Title IV Credit Balance Policy

<u>Noncompliance:</u>

Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period. 34 C.F.R. § 668.164(h).

A school is not required to pay a credit balance that is less than $1.00. 2016-2017 FSA Handbook – Volume 4, Chapter 2: Disbursing FSA Funds, p. 4-50 and the 2017-2018 FSA Handbook - Volume 4, Chapter 2: Disbursing FSA Funds, p. 4-46.

An institution must make readily available to current and prospective students any refund policy with which the institution is required to comply for the return of unearned tuition and fees or other refundable portions of costs paid to the institution. 34 C.F.R. § 668.43(a)(2).

SCHS failed to maintain a Title IV credit balance policy that is available to current and prospective students. A document provided by SCHS as internal guidance for handling Title IV credit balances states that a Title IV credit balance is not paid unless it is $5 or more.

Required Action:

SCHS must review its policies and procedures for issuing Title IV credit balances. SCHS must include a copy of any updates and revisions to its policies and procedures with its response to this report.

Finding #5: Pell Overpayment

Noncompliance:

The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. 34 C.F.R. § 690.62(a).

SCHS disbursed Title IV funds to students who were enrolled in online courses via Portage Learning. Per the Portage Learning website, "Portage Learning is the name given to the college courses and specialty programs offered by NursingABC, Inc." The Accrediting Bureau of Health Education Schools (ABHES), the accrediting body for SCHS, determined that courses offered via Portage Learning are correspondence courses. SCHS is not approved by ABHES to offer correspondence courses, and did not receive ABHES approval to offer Portage Learning courses as eligible courses for program completion. Therefore, courses offered via Portage Learning are not eligible for Title IV aid.

SCHS did not award Pell Grants in the proper amount and failed to disburse the correct Pell Grant amount for student #5 and 10.

Student #5 enrolled in 12 credits for the Fall 2016 semester. 4 of the 12 credits were taken via Portage Learning. The student enrolled in 11 credits for the Spring 2017 semester. 3 of the 11 credits were taken via Portage Learning. For the purpose of Title IV aid eligibility, student #5 was enrolled half time and was eligible to receive a total of $1483.00 in Federal Pell Grant funds for the 2016-2017 award year. $1111 in Federal Pell Grant funds was disbursed to the student for the Fall 2016 semester, and $1112.00 for the Spring 2017 semester based on three-quarter time enrollment. The Spring 2017 award was adjusted to $503.00 and $609.00 was returned to the Department due to the student's withdrawal from NURS 120. However, the initial Federal Pell Grant award should have been based on half-time enrollment.

Student #10 enrolled in 11 credits for the Fall 2016 semester. 3 of the 11 credits were taken via Portage Learning. The student enrolled in 12 credits for the Spring 2017 semester. 4 of the 12 credits were taken via Portage Learning. For the purpose of Title IV aid eligibility, student #10 was enrolled half time and was eligible to receive a total of $2833.00 in Federal Pell Grant funds for the 2016-2017 award year. $2125.00 in Federal Pell Grant funds was disbursed to the student for the Fall 2016 semester, and $2883.00 for the Summer 2017 semester.

The Department requested that SCHS send records for a second random sample of all students receiving Title IV aid for the 2016-2017 and 2017-2018 award years. SCHS provided the requested information. Based on a preliminary review, there is an additional overpayment of $9426.00 in Pell Grant funds for the 2016-2017 and 2017-2018 award years. Appendix A lists the names and social security numbers of students in the additional 2016-2017, 2017-2018 student sample (student #31-56).

The Department requested that SCHS send records for all students receiving Title IV aid and enrolled in courses via Portage Learning for the Fall 2018 semester. SCHS provided the requested information. Based on a preliminary review, there is an additional overpayment of $4139.00 in Pell Grant funds for the 2018-2019 award year.

Required Action:

SCHS must conduct a file review of all Title IV recipients enrolled in Portage Learning courses (from the beginning of the institution's use of Portage Learning through the cancellation of the NursingABC contract) to determine if the accurate amount of Pell Grant funds was disbursed. SCHS must compile the results of the file review in a spreadsheet in both hard copy and electronic formats. The institution must submit the results of the file review with its response to the Program Review Report. The file review must be submitted in a spreadsheet that includes the following data:

1. Student Name;
2. Social Security Number;
3. Award Year;
4. Semester;
5. Total Semester Enrollment (Number of Credits);
6. Total Portage Enrollment (Number of Portage Credits);
7. Enrollment Status without Portage Credits;
8. Maximum Pell Grant Award (Semester);
9. Pell Grant Disbursed;
10. Overpayment? (Yes/No);
11. If Yes, Amount of Overpayment.

SCHS must provide an explanation of the Pell Grant award and disbursement for student #19, 21, 45, and 56. The institution must provide the complete account ledger for student #31.

ABHES required SCHS to cancel its contract with Portage Learning/NursingABC and dis-enroll students from Portage Learning courses for the Fall 2018 semester. On October 18, 2018, SCHS provided documentation verifying that the institution cancelled its contract with Portage Learning/NursingABC and dis-enrolled students from Portage courses for the Fall 2018 semester. The Department requested that SCHS send records for all students receiving Title IV aid and enrolled in courses via Portage Learning for the Fall 2018 semester. SCHS provided the requested information. SCHS must provide documentation verifying that Title IV aid awards and disbursements have been adjusted for students previously enrolled in Portage Learning courses for the Fall 2018 semester.

SCHS must review its policies and procedures to ensure they are sufficient to prevent a recurrence of this finding. The institution must submit a copy of its revised policies and procedures with its response to the Program Review Report.

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

D. Appendices

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

January 22, 2020

Cynthia M. Swineford
Vice President
Southside College of Health Sciences
430 Clairmont Court, Suite 200
Colonial Heights, VA 23834

Sent via
UPS Tracking No.: 1ZA879640295621303

RE: **Final Program Review Determination**
OPE ID: 01274400
PRCN: 201840329904

Dear Ms. Swineford:

The U.S. Department of Education's (Department's) Office of Federal Student Aid issued a program review report (PRR) on January 9, 2019 covering Southside College of Health Science's (SCHS) 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 2016-2017 and 2017-2018 award years. The SCHS response was received on April 12, 2019. SCHS failed to address adequately one of the five findings, as detailed in the attached report. A copy of the PRR (and related attachments) and the institution's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SCHS upon request. The Department has made final determinations based on information obtained during the PRR and from documentation already submitted by SCHS. 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.

The total liabilities due from the institution from this program review are $52,584.15.

This FPRD contains detailed information about the liability determination for all findings.

Purpose:

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

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-1, Student Sample. In addition, Appendix A-2, Students whose Pell Grant Awards need to be adjusted in COD, also contains PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

If SCHS 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 SCHS's request no later than 45 calendar days from the date SCHS receives this FPRD. The Department requests that SCHS submit an original and four copies of its complete request for review. The request must be sent to:

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

SCHS'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 a copy of the FPRD received by the school.

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

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

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

Record Retention:

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has questions regarding this letter, please contact Latasha Eley at 202-377-4520.

Sincerely,

[redacted]

Nancy Paula Gifford
Division Director

Enclosure
Protection of Personally Identifiable Information
Program Review Report
Final Program Review Determination Report

cc: Celeste Felton, Financial Aid Director
Erica Jackson, Director of Enrollment Management
Meg McCarter, Director of Business Operations
Eileen Brennan, Director of Accreditation, ABHES
Dr. Ellie A. Fogarty, Staff Liaison, MSCHE
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for
Southside College of Health Sciences

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

PROUD SPONSOR of the AMERICAN MIND™

OPE ID: 01274400
PRCN: 201840329904

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

Final Program Review Determination
January 22, 2020

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

Table of Contents

A. Institutional Information

Southside College of Health Sciences
430 Clairmont Court, Suite 200
Colonial Heights, VA 23834

Type: Private

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 144 (2017-2018)

% of Students Receiving Title IV: 90.28% (2017-2018)

Title IV Participation: (2018-2019)	
Federal Pell Grant (Pell)	$286,648.00
Federal Direct Loan Program (FDLP)	$749,887.00
Total:	$1,036,535.00

Default Rates Direct Loan:		
	2016	0.0%
	2015	5.8%
	2014	1.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Southside College of Health Sciences (SCHS) from August 20, 2018 to August 24, 2018. The review was conducted by Ms. Latasha Eley, Mr. Kenneth Porter, and Mr. Robert Scott.

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

A sample of 30 files was identified for review from the 2016-2017 and 2017-2018 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. The Department expanded the sample by an additional 25 files to allow testing for Pell overawards. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

The Department issued its Program Review Report (PRR) on January 9, 2019, included in Appendix B. SCHS submitted its written response to the PRR on April 12, 2019, included in Appendix C.

Disclaimer:

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

C. Final Determinations

<u>Resolved Findings</u>

Findings #2 and 4

SCHS has taken the corrective actions necessary to resolve Finding #2: Inaccurate Enrollment Reporting to NSLDS and #4: Inadequate Title IV Credit Balance Policy. Specifically, SCHS corrected the misreported withdrawal dates for the students identified in Finding #2 and submitted proof of the corrections with its response. SCHS reviewed and updated its NSLDS reporting policies and procedures to prevent a reoccurrence of the finding and revised its policies and procedures for issuing Title IV credit balances to state that a Title IV credit balance is not paid unless it is $1 or more. Therefore, these findings may be considered closed. SCHS's response to the PRR is included in Appendix C.

Findings without Liabilities

Finding #1: Incorrect Return of Title IV (R2T4) Calculations

Summary of Noncompliance:

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1).

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 has been earned by the student. The institution must apply this percentage to the total Title IV funds disbursed (or funds that could have been disbursed to the student) for the payment period or the period of enrollment as of the student's withdrawal date. 34 C.F.R. § 668.22(e)(1).

The percentage of the Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period or period of enrollment completed as of the student's withdrawal date if the date occurs on or before the completion of 60 percent of the payment period or period of enrollment for a program. 34 C.F.R. § 668.22(e).

The percentage of the payment period or period of enrollment completed is determined for a program that is measured in credit hours by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date. The total number of calendar days in the payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except scheduled breaks of at least five consecutive days, which should be excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. 34 C.F.R. § 668.22(f).

SCHS used the incorrect total number of days in the payment period, when making the R2T4 calculations for student #1, 4, 6, 7, and 8.

Directives from PRR:

Due to the high error rate for this finding and to determine the extent to which the institution failed to return Title IV funds to the Department, the Department required SCHS to conduct a file review of all students who received Title IV funds, withdrew from the institution, and required an R2T4 calculation during the 2016-2017 award year.

1. The Department required SCHS to compile the results of this review in a spreadsheet submitted in both hardcopy and electronic formats with the institution's response to the PRR.

2. The Department required SCHS to review its policies and procedures to ensure that R2T4 funds are returned to the Department. Any updates to policies and procedures were required to accompany the institution's response to the PRR.

Analysis of Liability Determination:

In its response, SCHS stated that it has taken the following corrective actions:

1. SCHS completed the required file review of all students who received Title IV funds, withdrew from the institution, and required an R2T4 calculation during the 2016-2017 award year. This institution submitted the required spreadsheet and supporting documentation.

2. SCHS reviewed and updated its R2T4 policies and procedures to ensure R2T4 calculations are accurately processed. The updated policies and procedures were submitted with the institution's response.

The Department reviewed the results of the file review compiled by SCHS and made the following determinations:. SCHS returned a surplus of R2T4 funds to the Department for five of the six students identified in the file review. As a result of these errors, SCHS returned $155.00 more than required in Title IV funds during the 2016-2017 award year.

Therefore, the Department has established there is no liability for Finding #1.

Finding #3: Inaccurate Disbursement Data Reported to COD

Summary of Noncompliance:

An institution must submit Federal Pell Grant disbursement records no later than 30 days after making a Federal Pell Grant disbursement or becoming aware of the need to adjust a student's previously reported Federal Pell Grant disbursement. Federal Pell Grant funds are disbursed on the date that the institution credits those funds to a student's account at the institution or pays those funds directly to the student. The Department considers that Federal Pell Grant funds are disbursed even if an institution uses its own funds in advance of receiving program funds from the Department. An institution's failure to submit disbursement records within the required 30-day timeframe may result in an audit or program review finding. In addition, the Department may initiate an adverse action, such as a fine or other penalty for such failure, in accordance with subpart G of part 668. Federal Register, Volume 77, Number 126, 38785.

An actual disbursement of Title IV funds occurs on the date that the school credits a student's ledger account at the institution or pays a student or parent directly with funds received from the Department, funds received from a lender under the FFEL Programs, or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164 (a)(1)(i)(ii).

A school participating in the Direct Loan Program must ensure that any information it provides to the Department in connection with loan origination is complete and accurate. Additionally, an institution must provide to the Department borrower information that includes but is not limited to the borrower's eligibility for a loan; the student's loan amount; and the anticipated and actual disbursement dates and disbursement amounts of the loan proceeds. 34 C.F.R. §685.301(a)(1) and (2).

SCHS reported inaccurate disbursement data to the Common Origination and Disbursement System (COD) for 15 students during the 2016-2017 award year and 10 students during the 2017-2018 award year.

Directives from PRR:

Due to the high error rate for this finding and to determine the extent to which the institution failed to accurately report disbursement data to COD, the Department required SCHS to conduct a file review for all students who received Title IV funds during the 2016-2017 and 2017-2018 award years.

1. The Department required SCHS to compile the results of this review in a spreadsheet to be submitted in both hardcopy and electronic formats with the institution's response to the PRR.

2. The Department required SCHS to review its policies and procedures to prevent a reoccurrence of this finding. Updates to policies and procedures were required to accompany the institution's response to the PRR.

Analysis of Liability Determination:

In its response, SCHS stated that it has taken the following corrective actions:

1. SCHS completed the required file review of all 2016-2017 and 2017-2018 Title IV recipients and submitted the required spreadsheet and supporting documentation.

2. SCHS reviewed and updated its COD reporting policies and submitted the updates with its response to the PRR.

The Department reviewed the results of the file review compiled by SCHS and made the following determinations: The institution updated inaccurate Direct Loan disbursement dates identified within COD for the 2016-2017 and 2017-2018 award years so that they reflect the date the institution credited students' accounts. However, the institution indicated it made the following corrections that were not reflected in COD:

Student No.	Corrected (Y/N)	Issue
3-7	N	Documentation provided by institution indicates Unsub ($1348) disbursement date should be 9/1/2016; COD

		shows 8/24/2016
3-48	N	Documentation provided by institution indicates Unsub ($2045) disbursement date should be 9/1/2016; COD shows 8/24/2016
3-77	N	Documentation provided by institution indicates Unsub ($1732 and $1714) disbursement dates should be 8/31/2017; COD shows 9/12/2017
3-81	N	Documentation provided by institution indicates Sub ($1732) disbursement date should be 8/31/2017; COD shows 9/12/2017. Unsub ($1979) disbursement date should be 8/31/2017; COD shows 9/12/2017
3-82	N	Documentation provided by institution indicates Unsub ($1647) disbursement date should be 8/31/2017; COD shows 9/12/2017

SCHS provided documentation of its review and updated its COD reporting policies and procedures to prevent a reoccurrence of this finding.

Therefore, the Department has established that, upon SCHS making the above-listed corrections and providing documentation that the disbursement dates have been updated in COD, this finding may be considered closed.

<u>Findings with Established Liabilities</u>

Finding #5: Pell Overpayment

Summary of Noncompliance:

The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. 34 C.F.R. § 690.62(a).

SCHS disbursed Title IV funds to students who were enrolled in online courses via Portage Learning. Per the Portage Learning website, "Portage Learning is the name given to the college courses and specialty programs offered by NursingABC, Inc." The Accrediting Bureau of Health Education Schools (ABHES), the accrediting body for SCHS, determined that courses offered via Portage Learning are correspondence courses. SCHS is not approved by ABHES to offer correspondence courses and did not receive ABHES approval to offer Portage Learning courses as eligible courses for program completion. Therefore, courses offered via Portage Learning are not eligible for Title IV aid.

SCHS did not award Pell Grants in the proper amount and failed to disburse the correct Pell Grant amount for student #5 and 10. Based on the review of an expanded sample of students enrolled in Portage Learning, the Department determined the issue was systemic.

Directives from PRR:

Due to the high error rate for this finding and to determine the extent to which the institution made Pell Grant overpayments to students, the Department required SCHS to conduct a file review of all Title IV recipients enrolled in Portage Learning courses (from the beginning of the institution's use of Portage Learning through the cancellation of the NursingABC contract) to determine if the accurate amount of Pell Grant funds was disbursed.

1. The Department required SCHS to compile the results of this review in a spreadsheet submitted in both hardcopy and electronic formats with the institution's response to the PRR.

2. The Department required SCHS to provide an explanation of the Pell Grant award for two students in the original sample (student #19 and 21) and one in the expanded sample (student #56), and requested the complete account ledger for one student in the expanded sample (student #31). This information was to be included in the institution's response to the PRR.

3. Finally, the Department required SCHS to review its policies and procedures to prevent the reoccurrence of Pell Grant overpayments. Any updates to policies and procedures were required to accompany the institution's response to the PRR.

Analysis of Liability Determination:

In its response, SCHS stated that it has taken the following corrective action:

1. SCHS completed the required file reviews of all Title IV recipients enrolled in Portage Learning courses (from the beginning of the institution's use of Portage Learning through the cancellation of the NursingABC contract) to determine if the accurate amount of Pell Grant funds was disbursed.

2. SCHS hired an Institutional Quality and Accreditation Manager to ensure the institution is in compliance with accreditation requirements.

3. SCHS provided the complete account ledger for student #31 and provided explanations of the Pell Grant award and disbursement for student #19, 21, and 56.

The Department reviewed the results of the file review and additional requested information compiled by SCHS and determined SCHS disbursed Pell Grant overpayments for 58 students from the beginning of the institution's use of Portage Learning through the cancellation of the NursingABC contract. The total liability for this finding is $52,584.15. The Cost of Funds worksheet used to establish the liability is attached as Appendix D. See section D of the FPRD for a summary of the liability and section E for payment instructions.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the FPRD is as follows:

Established Liabilities

Finding #	Award Year	Program	Liability by Program	Totals
Finding 5	2012-2013	Pell Grant	$6,844.48	$6,844.48
	2013-2014	Pell Grant	$11,674.07	$11,674.07
	2014-2015	Pell Grant	$3,641.20	$3,641.20
	2015-2016	Pell Grant	$4988.85	$4988.85
	2016-2017	Pell Grant	$10,936.48	$10,936.48
	2017-2018	Pell Grant	$10,708.20	$10,708.20
	2018-2019	Pell Grant	$3,790.87	$3,790.87
Totals			$52,584.15	**$52,584.15**

E. Payment Instructions

Liabilities Owed to the Department

SCHS owes to the Department $52,584.15. 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 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: $52,584.15
DUNS: Institution's DUNS number
TIN: 9-digit tax identification number
Program Review Control Number: 201840329904

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. SCHS is also responsible for repaying any interest that accrues. If you have questions regarding interest accruals or payment credits, contact the Department's Accounts Receivables &

Bank Management Group at (202) 245-8080 and ask to speak to the SCHS account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Centralized Receivables Service (CRS) at 1-855-549-2683 to apply for a payment plan. Interest charges and other conditions apply.

If within 45 days of the date of this letter SCHS 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 SCHS from the Federal Government. **SCHS may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, SCHS must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the <u>cover letter</u>. 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.

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

<u>Pell – **Closed Award Year**</u>

Finding(s): Finding #1
Appendices: Appendix A-2, D

SCHS must repay:

Pell - **Closed Award Year**			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$3,491.00	$150.20	Pell	2014-2015
$4,847.00	$141.85	Pell	2015-2016
$10,720.00	$216.48	Pell	2016-2017
$10,589.00	$119.20	Pell	2017-2018
$3,777.00	$13.87	Pell	2018-2019
Total Principal	Total Interest		
$33,424.00	$641.60		

The disbursement record for each student identified in appendix A-2 to the applicable finding(s) must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in Appendix D.

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 Latasha Eley **within 45 days of the date of this letter.**

Pell – Cancelled Award Year

Finding(s): Finding #1
Appendices: Appendix A-2, D

SCHS must repay:

Pell – Cancelled Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$6,474.00	$370.48	Pell	2012-2013
$11,109.00	$565.07	Pell	2013-2014
Total Principal	Total Interest		
$17,583	$935.55		

The liability above is for award years 5 years or older and student adjustments in the Common Origination and Disbursement (COD) system are no longer possible. Instead, the funds will be returned to the general program fund for the applicable Title IV program.

F. Appendices

Appendix A-1: (Student Sample) contains personally identifiable information and will be emailed to SCHS as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Appendix A-2: (Students whose Federal Pell Grant Awards need to be adjusted in COD) contains personally identifiable information and will be emailed to SCHS as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Appendix B: Program Review Report

Appendix C: Institution's Response Received April 12, 2019

Appendix D: Cost of Funds Worksheet