



September 9, 2014

Dr. Lee Lambert
Chancellor
Pima County Community College
401 North Bonita Avenue
Tucson, AZ 875009-5000

Certified Mail
Return Receipt Requested
#: 70070710000106756926

RE: **Program Review Report**
OPE ID: 00726600
PRCN: 201430928658

Dear Dr. Lambert:

From June 23, 2014 through June 27, 2014, Pilar M. Diaz, Anna C. Archila, and Glenda Despenza conducted a review of Pima County Community College's (PCC's) 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 PCC. The response should include a brief, written narrative for each finding that clearly states PCC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, PCC must provide supporting documentation as required in each finding.

It is important to note that any findings relative to the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act), included in Section 485(f) of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. § 1092(f) and the Department's implementing regulations at 34 C.F.R. §§ 668.41-668.46, and with the Drug-Free Schools and Communities Act and Part 86 of the Department's General Administrative Regulations will be discussed in a separate communication from the Department's Clery Team.

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.

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

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

50 Beale Street, Suite 9800, San Francisco, CA 94105-1863

StudentAid.gov

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 PCC 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 Pilar M. Diaz of this office within 30 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

Record Retention:

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Pilar M. Diaz at (415) 486-5368 or Pilar.Diaz@ed.gov.

Sincerely,



Charles E. Palumbo, Ed.D.

Compliance Manager

San Francisco/Seattle School Participation Division

cc: Ms. Terra Benson, Executive Director of Financial Aid

Enclosures:

Program Review Report

Protection of Personally Identifiable Information

Prepared for
Pima County Community College

OPE ID: 00726600
PRCN: 201430928658

Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report

September 9, 2014

Table of Contents

A. Institutional Information.....	3
B. Scope of Review.....	4
C. Findings.....	4
Finding 1. Failure to have a System to Identify Non-shows and Unofficial withdraws.....	4
Finding 2. Return to Title IV Made Late/Incorrect Calculations.....	6
Finding 3. Conflicting Information – Dependency Status.....	6
Finding 4. Failure to Complete Verification.....	7
Finding 5. Pell Grant Under / Over Award.....	8
Finding 6. Exit Counseling Deficiencies.....	9
Finding 7. Incorrect Calculation of Cost of Attendance (COA).....	12
Finding 8. Incorrect Posting of Disbursement to Ledger Card.....	13
D. Appendix.....	13

A. Institutional Information

Pima County Community College
401 North Bonita Avenue
Tucson, AZ 85709-5000

Type: Public

Highest Level of Offering: Associate Degree

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

Current Student Enrollment: 41,916

Percentage of Students Receiving Title IV: 34%

Title IV Participation according to the National Student Loan Data System:

	<u>2011-2012</u>	<u>2012-2013</u>
Federal Pell Grant Program	\$51,678,775	\$40,381,570
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	\$ 524,794	\$ 572,462
William D. Ford Federal Direct Loan Program	\$34,495,403	\$26,063,726

Default Rate FFEL/DL:	2011	14.9%
	2010	15.2%
	2009	14.6%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Pima County Community College (PCC) from June 23, 2014 to June 27, 2014. The review was conducted by Pilar M. Diaz, Anna C. Archila, and Glenda M. Despenza.

The focus of the review was to determine PCC'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 PCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

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

Finding 1. Failure to Have a System to Identify No-Shows and Unofficial Withdrawals

Citation: 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 or disbursed directly to the student for that payment period or period of enrollment, for FSEOG, Federal Pell Grant, and ACG program funds. For Direct Loan funds the institution must return all Direct Loan funds that were credited to the student's account at the institution for that payment period or period of enrollment. In addition, the institution must

return the amount of payments made directly by or on behalf of the student to the institution for that payment period or period of enrollment.

If an institution knows that a student will not begin attendance prior to disbursing Direct Loan funds directly to the student for that payment period or period of enrollment (e.g., the student notified the institution that he or she would not attend, or the institution expelled the student), the institution must return those funds. The institution must return those funds to the respective Title IV, HEA program as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance.

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.

Further, 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 that the student earned as of the student's withdrawal date. 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; the date, as determined by the institution, that the student otherwise provided official notification to the institution, in writing or orally, of his or her intent to withdraw; or, if the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period (or period of enrollment, if applicable). 34 C.F.R. §§ 668.21 and 668.22(a) and (c).

Noncompliance: PCC has not developed and implemented an adequate process to identify whether students have begun attendance at the institution. Also, PCC does not have a system to determine the withdrawal date or last day of attendance for students who stop attending classes without notifying the institution.

Students are advised that they are required to officially withdraw from the institution; however, there is no system in place that requires the student to submit a formal notification of withdrawal to the registrar and, subsequently, to notify the financial aid office.

Required Action: PCC must develop a system to identify the students who do not begin attendance at the institution. In addition, PCC must review its current policy and procedures to determine how to identify unofficial withdrawals and the last date of attendance. PCC must provide the policies and procedures and description of systems established to resolve this finding. In addition, PCC must revise its written withdrawal policy and provide a copy in response to this Program Review Report (PRR).

Finding 2. Return to Title IV Made Late/Incorrect Calculation

Citation: Returns to Title IV (R2T4) are calculated according to the formula provided in 34 C.F.R. § 668.22(a), (e), (f), (g), and (h). These regulations include requirements with respect to determining whether a post-withdrawal disbursement is due to a student.

An institution must return the amount of Title IV funds for which it is responsible, after a student withdraws from school prior to the completion of a payment period, as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

34 C.F.R. § 668.22.

Noncompliance: During the program review it was noted that PCC failed to process R2T4 calculations in a timely manner for one student in the selected sample. The tuition charges included in the calculation for two students in the selected sample did not match the amount of charges included on the ledger card. Therefore, these R2T4 calculations were incorrect.

Following are the details:

Student #16: This student withdrew from PCC on 4/2/14. Based on the school records, an R2T4 calculation was performed. However, the PCC Transaction Summary Report indicates that funds were returned to the Pell Grant Program on 6/3/14, not meeting the 45-day deadline.

Student #30: This student withdrew from PCC on 10/2/13. Based on the school records, an R2T4 calculation was performed. However, the tuition charges used by PCC in the calculation were \$792.00. Per the PCC Transaction Summary Report, the tuition and fee charges actually totaled \$1,262.69.

Required Action: PCC must review the Title IV regulations and ensure that the correct timeframe for returning R2T4 funds is followed. PCC must respond to this report with a description of the procedures to be used to ensure the 45-day timeframe is complied with in the future.

In addition, PCC must review the process currently used in the R2T4 calculations to determine tuition charges and make sure the amount of charges are equal to the transactions posted on the ledger card. For Student #30 PCC must perform the R2T4 calculation using the worksheet provided by the Department entitled "Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program" and submit the form, with the backup documentation, for the tuition and fees charges used in the calculation. Any additional amount identified in the revised calculation must be paid immediately to the appropriate program. Procedures to correct these errors and ensure the required calculations are used must be submitted in response to this PRR.

Finding 3. Conflicting Information – Dependency Status

Citation: The Secretary considers an institution to have administrative capability if, among other factors, the institution develops and applies an adequate system to identify and resolve

discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under the Title IV, HEA programs. In determining whether an institution's system is adequate, the Secretary considers whether the institution obtains and reviews:

- all student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant;
- any documents, including any copies of state and federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources;
- and any other information normally available to the institution regarding a student's citizenship, previous educational experience, documentation of the student's social security number, or other factors relating to the student's eligibility for funds under the Title IV, HEA programs.

34 C.F.R. § 668.16(f).

Noncompliance: PCC failed to resolve conflicting information regarding a student's dependency status, which had a significant impact on the student's eligibility to receive Title IV funds. The following student had conflicting information on file:

Student #5: The student's Institutional Student Information Record (ISIR) for the award year 2012-13 shows the student's Dependency Status as "Independent." This student was deemed independent by the Central Processing System (CPS), because he answered "Yes" to the question "Do you have children who will receive more than half of their support from you..." on the Free Application for Federal Student Aid (FAFSA). However, for the following award year, 2013-14, the dependency status changed to "Dependent" because the student's response to the same question was "No." This is conflicting information in that an individual who has children to support will likely provide that same support from one year to the next.

Required Action: PCC must resolve the above discrepant information for students #5 and indicate the final action(s) taken by PCC. If the student was disbursed Title IV aid to which he was not entitled, a liability will be due to the Department for this aid and instructions on repaying the liabilities will be provided in the FPRD. In addition, PCC must enhance its policies and procedures to require the resolution of conflicting information prior to disbursement of Title IV funds. The policies and procedures must be submitted in response to this PRR.

Finding 4. Failure to Complete Verification

Citation: Title IV applicants are required to verify information used to calculate an applicant's Expected Family Contribution (EFC) in the following situations: when the application is selected by the Secretary to be verified or when an institution has reason to believe that any information on an application used to calculate an EFC is inaccurate. An institution must require an applicant to submit acceptable documentation that will verify or update information (from the applicable year in question) used to determine the applicant's EFC. For each award year the

Secretary publishes in the Federal Register a notice of the FAFSA information that an institution and an applicant may be required to verify. For each applicant whose FAFSA information is selected for verification by the Secretary, the Secretary specifies the specific information that the applicant must verify. 34 C.F.R. §§ 668.54 and 668.56.

Noncompliance: PCC failed to properly complete the required verification for the following student selected for verification:

Student #29: PCC reported to the Common Origination and Disbursement (COD) system that it completed verification for the 2013-2014 award year. However, the ISIR indicates that the household size was three and the number in college was two; the Verification Worksheet indicates that the household size is two and the number in college is one. There was no documentation to indicate that this conflicting information was resolved.

Required Action: PCC must resolve the discrepant information for this student and submit the ISIR for corrections, if needed. Back up documentation to resolve the discrepant information and adjustments generated as a result of the correct information must be provided with the response to this PRR.

In addition, PCC must review its policies and procedures to ensure students selected for verification are properly documented, information received from all sources is reviewed, and conflicting information is resolved before any Title IV aid is disbursed. The policies and procedures must also be submitted in response to this PRR.

Finding 5. Pell Grant Under / Over Award

Citation: For each payment period, an institution may pay a Federal Pell Grant to an eligible student only after it determines that the student qualifies as an eligible student, is enrolled in an eligible program as an undergraduate student, and if enrolled in a credit hour program without terms or a clock hour program, has completed the payment period for which he or she has been paid a Federal Pell Grant.

If the student's enrollment status changes from one academic term to another term within the same award year, the institution must recalculate the Federal Pell Grant award for the new payment period taking into account any changes in the cost of attendance. If the student's enrollment status changes during a payment period after the student has begun attendance in all of his or her classes for that payment period, the institution may (but is not required to) establish a policy under which the student's award for the payment period is recalculated. Any such recalculations must take into account any changes in the cost of attendance. If such a policy is established, it must apply to all students. If a student's projected enrollment status changes for 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. §§ 690.75(a) and 690.80.

Noncompliance: During the program review it was noted that some disbursements were not properly calculated for some students in the selected sample as follows:

Student #9: According to the unofficial transcript provided during the program review, this student was enrolled for 11 units during the spring 2013 term. However, the Pell Grant disbursed on 1/4/2013 was based on the student attending full-time, \$2,775.

Student #12: According to the unofficial transcript provided during the program review, this student was enrolled for 9 units during the spring 2014 term, yet this student's Pell was paid based on half time enrollment status, \$1,723.

Required Action: PCC must develop policies and procedures to ensure students are paid the correct amounts based on the appropriate enrollment status. Those procedures must be consistently applied to all students. Policies and procedures must be submitted in response to this PRR.

In addition, PCC must review the records for students ##9 and 12 to determine if, in fact, student #9 was enrolled as a $\frac{3}{4}$ time student or a full time student during the spring 2013 term, and if student #12 was enrolled as a $\frac{3}{4}$ time or a half time student. If student #12 was underpaid, PCC must pay the student the additional amount owed and submit proof of that disbursement in response to this PRR. If student #9 was overpaid, instructions on repaying the overpayment – a liability due from PCC to the Department – will be provided in the FPRD.

Finding 6. Exit Counseling Deficiencies

Citation: A school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student borrower may be provided with written counseling materials within 30 days after the student borrower completes the program.

If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student

borrower that is not an email address associated with the school sending the counseling materials.

The exit counseling must:

- Inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers who have obtained Direct Subsidized Loans and Direct Unsubsidized Loans, student borrowers who have obtained only Direct PLUS Loans, or student borrowers who have obtained Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans, depending on the types of loans the student borrower has obtained, for attendance at the same school or in the same program of study at the same school;
- Review for the student borrower available repayment plan options including the standard repayment, extended repayment, graduated repayment, income-contingent repayment, and income-based repayment plans, including a description of the different features of each plan and sample information showing the average anticipated monthly payments, and the difference in interest paid and total payments under each plan;
- Explain to the borrower the options to prepay each loan, to pay each loan on a shorter schedule, and to change repayment plans;
- Provide information on the effects of loan consolidation including, at a minimum—

The effects of consolidation on total interest to be paid, fees to be paid, and length of repayment; the effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities; the options of the borrower to prepay the loan and to change repayment plans; and that borrower benefit programs may vary among different lenders;

- Include debt-management strategies that are designed to facilitate repayment;
- Explain to the student borrower how to contact the party servicing the student borrower's Direct Loans;
- Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;
- Provide a general description of the terms and conditions under which a borrower may obtain full or partial forgiveness or discharge of principal and interest, defer repayment of principal or interest, or be granted forbearance on a Title IV loan;
- Review for the student borrower information on the availability of the Department's Student Loan Ombudsman's office;
- Inform the student borrower of the availability of Title IV loan information in the National Student Loan Data System (NSLDS) and how NSLDS can be used to obtain Title IV loan status information;
- Explain to first-time borrowers:
 - How the borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are determined;

The sum of the borrower's subsidized usage periods at the time of the exit counseling;

The consequences of continued borrowing or enrollment, including--

The possible loss of eligibility for additional Direct Subsidized Loans; and the possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan during in-school status; the grace period; authorized periods of deferment; and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans;

The impact of the borrower becoming responsible for accruing interest on total student debt;

That the Secretary will inform the student borrower of whether he or she is responsible for accruing interest on his or her Direct Subsidized Loans; and that the borrower can access NSLDS to determine whether he or she is responsible for accruing interest on any Direct Subsidized Loans;

A general description of the types of tax benefits that may be available to borrowers; and

The requirement that the student borrower provide current information concerning name, address, social security number, references, and driver's license number and state of issuance, as well as the student borrower's expected permanent address, the address of the student borrower's next of kin, and the name and address of the student borrower's expected employer (if known).

If exit counseling is conducted through interactive electronic means, a school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the exit counseling. The school must maintain documentation substantiating the school's compliance with this section for each student borrower. 34 C.F.R. § 685.304(b).

Noncompliance: During the Program Review, it was noted that exit counseling was not adequately provided to borrowers who drop out, transfer out, or graduate from PCC. An attempt to provide the exit counseling is made by sending emails to borrowers instructing them to complete the exit counseling at the Department's website. However, PCC does not follow up to determine if those students completed their exit counseling online or, at a minimum, acknowledge the receipt of such email. No documentation of exit counseling was present for the following students:

Student #6: This student withdrew from PCC on 1/23/2013. There is no evidence in the file that this student completed exit counseling or information to demonstrate that exit counseling materials were mailed to the student's address.

Student #14: This student withdrew from PCC on 12/20/2013. There is no evidence in the file that this student completed exit counseling or that exit counseling materials were mailed to the student's address.

Required Action: PCC must review and revise its policies and procedures to ensure that all students are provided with exit counseling and that documentation of exit counseling is maintained in the files. The revised policies and procedures must also be provided with the response to this PRR.

Finding 7. Incorrect Calculation of Cost of Attendance (COA)

Citation: Financial need for Pell Grant and Direct Loan awards is determined according to the provisions of the HEA and federal regulations. Title IV packaging and awarding procedures require the use of the provisions of the HEA and federal regulations, and involve determinations of a student's academic year, program length, period of enrollment (for loans), cost of attendance, and expected family contribution.

The Federal Student Aid Handbook, Volume 3, Chapter 7, "Packaging Aid," clarifies that the law requires aid administrators to find out whether the student is eligible for certain other Title IV programs that would reduce the need for borrowing. If a school participates in the Federal Pell Grant Program, the student's estimated Pell Grant eligibility must be included as Estimated Financial Assistance when making Campus-Based awards, even if the student has not received the Pell Grant at the time a Campus-Based award is made.

Borrowers must demonstrate financial need in order to qualify for interest benefits on a subsidized loan. A school certifies that the information it provides in connection with a loan application is complete and accurate. The information to be provided by the school pertains to the borrower's eligibility for a loan; the student's eligibility for interest benefits; and the schedule of disbursements. In addition, a school may not certify a subsidized loan application for a loan amount that would exceed the student's estimated cost of attendance minus the student's estimated financial assistance for that period and the borrower's expected family contribution for that period.

Noncompliance: During the program review it was noted that PCC was inadequately packaging students by using non-standard budgets for students enrolled in the same program. A sample follows:

Student #14: This student's financial aid packaging was based on a five month cost of attendance. The student was awarded only with Direct Unsubsidized Loans. However, this student was eligible for a Direct Subsidized Loan based on a standard nine month budget.

Required Action: PCC must ensure that its system is revised to ensure students are awarded on the basis of a COA comprised of allowable costs assessed to all students carrying the same academic workload for the same program. Revisions or procedures developed to resolve this finding must be included in the response to this PRR.

Finding 8. Incorrect Posting of Disbursement to Ledger Card

Citation: By entering into a program participation agreement, an institution agrees that it will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or for students under the Title IV, HEA programs. 34 C.F.R. § 668.14.

An institution must establish and maintain, on a current basis, any application for Title IV, HEA program funds and program records that document—

- (1) Its eligibility to participate in the Title IV, HEA programs;
- (2) The eligibility of its educational programs for Title IV, HEA program funds;
- (3) Its administration of the Title IV, HEA programs in accordance with all applicable requirements;
- (4) Its financial responsibility;
- (5) Information included in any application for Title IV, HEA program funds; and
- (6) Its disbursement and delivery of Title IV, HEA program funds.

An institution must account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. An institution must establish and maintain on a current basis—

- (i) Financial records that reflect each Title IV, HEA program transaction; and
- (ii) General ledger control accounts and related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity.

Noncompliance: During the program review it was noted that an incorrect disbursement amount was posted on the ledger card for Student #23. Per NSLDS and COD, the student received \$705 from Pell Grant funds on 5/28/13; however, the amount posted on the ledger card was \$698.

Required Action: PCC must review the records for this student's account and adjust the ledger card to reflect the correct disbursement. If a credit balance occurs as a result of the revised transaction, those funds must be disbursed to the student immediately. The revised ledger and back up documentation for any payments to the student, if applicable, must be submitted in response to this PRR. PCC must also review its current system to ensure these errors do not occur.

D. Appendix

Appendix A (Student Sample) contain personally identifiable information and will be emailed to PCC 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.