

Index Sheet

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School Name: ATI CAREER TRAINING CENTER

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Rec Date:

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School Year: 2011

ACN:

PRCN: 201220427845

Box ID: 1417

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November 21, 2012

Mr. Michael Gries
President
ATI Career Training Center
6331 Boulevard 26
Suite 275
North Richland Hills, TX 76180

UPS Tracking Number 1ZA5467Y0197141115

RE: **Final Program Review Determination**
OPE ID: 02215900
PRCN: 2012-2-04-27845

Dear Mr. Gries:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on July 13, 2012 covering ATI Career Training Center's (ATI's) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. ATI's final response was received on August 3, 2012. A copy of the program review report (and related attachments) and ATI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ATI upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) close the review.

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

Federal Student Aid

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

School Participation Division – Atlanta

60 Forsyth St. SW Atlanta, GA 30303

StudentAid.gov

students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendix A also contain 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)(1), (e)(2), and (e)(3).

If the institution has any questions regarding this letter, please contact David Smittick at 404-974-9301. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely

(b)(6); (b)(7)(C);(b)(7)(C)

Charles L. Engstrom /
Division Director

Enclosure:
Protection of Personally Identifiable Information

cc: Danielle Toner, Financial Aid Administrator
Florida Commission for Independent Education - Florida Department of Education
Accrediting Commission of Career Schools and Colleges

Prepared for

ATI Career Training

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OPE ID 02215900

PRCN 2012-2-04-27845

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division - Atlanta

Final Program Review Determination

November 21, 2012

Federal Student Aid, Atlanta School Participation Division
61 Forsyth Street, Suite 18T40
Atlanta, Georgia 30303-8918
www.FederalStudentAid.ed.gov

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A. Institutional Information

ATI Career Training Center
2890 NW 62nd Street
Fort Lauderdale, FL 33309-1785

Type: Proprietary

Highest Level of Offering: Associates Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Student Enrollment: 333 (2011-2012)

% of Students Receiving Title IV: 74 % (2011-2012)

Title IV Participation: 2010-1011 Award Year*

Federal Pell Grant Program (FPELL)	\$3,842,412
Federal Direct Loan Program (FDL)	\$6,427,081
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 107,583
Federal Work Study (FWS)	\$ 19,830

Default Rate FFEL/ DL:	2009	10.4%
	2008	14.3%
	2007	18.5%

*Most recent data available.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at ATI Career Training Center (ATI) from March 26, 2012 through March 30, 2012. The review was conducted by David Smittick and Melody Parker-Venable.

The focus of the review was to determine ATI'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 ATI'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

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

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

ATI has taken the corrective actions necessary to resolve findings 2, 4 and 5 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by ATI are discussed below.

Resolved Finding(s) with Comments

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the finding.

Finding 1: Unofficial Withdrawal Policy Not Adequately Developed

Citation: When a recipient of Title IV grant or loan funds withdraws from a school (officially or unofficially) after beginning attendance, the amount of Title IV funds earned by the student must be determined. Refund (R2T4) calculations are based on a statutory formula developed by the Department and must be used on all recipients of FSA funds. The formula is based, in part, on the amount of time a student actually spent in attendance at the school. If the amount disbursed to the student is *greater* than the amount the student earned, unearned funds must be returned no later than 45 days after the date the institution determined that the student withdrew. If the amount disbursed to the student is *less* than the amount the student earned, and for which the student is otherwise eligible, the student may be eligible to receive a post-withdrawal disbursement of the earned aid not received. See 34 § C.F.R. 668.22

With respect to unofficial withdrawals, DCL GEN-04-03 dated November 2004 states that schools must have a procedure for determining whether a Title IV recipient who began attendance during the period actually completed the period, or if the recipient should be treated as a withdrawal. If a student earns a passing grade in one or more of his/her classes during the period for that class, the school can presume that the student completed the course, and thus the period. However, if a student who began attendance and did not officially withdraw fails to earn a passing grade in at least one course offered over an entire period, the school *must* assume, for Title IV purposes, that the student has unofficially withdrawn (unless the school can document that the student completed the period).

In addition, schools have two options for determining the last date of attendance of an unofficial withdrawal: 1) use the midpoint of the payment period or period of enrollment, or 2) if the school is not required to take attendance, determine the last documented academically related activity (e.g., exam, quiz, tutorial, computer-assisted instruction, academic advising/counseling, academic conference, completion of an academic assignment, paper, or project, and/or attending a study group required by the school

academic advising/counseling, academic conference, completion of an academic assignment, paper, or project, and/or attending a study group required by the school where attendance was taken). See *2010-2011 Federal Student Aid Handbook, Volume Five, Chapter Two, pages 5-76 through 5-79*.

Noncompliance: ATI does not have a published unofficial withdrawal policy. The institution's Attendance Policy states, students that miss more than ten (10) consecutive scheduled days will be dismissed from school¹.

Similarly, ATI's published procedure for withdrawing states, in part, students who wish to terminate their training for any reason are required to take the following steps:

1. Notify the school Director in writing. The written notification should explain the reasons for wishing to terminate.
2. Schedule an exit interview with a member of the Financial Aid office staff. All student loan borrowers are required to sign an exit interview form.

Required Action Summary: In its response to the Program Review Report (PRR), ATI was required to revise its withdrawal policy to include the consequences for Title IV recipients who unofficially withdrew. For example, a student that received all non-passing grades and it's determined that the student unofficially withdrew; the student may be in an overpayment situation because of the withdrawal. An R2T4 calculation will be performed to determine the amount of Title IV aid earned, and that funds may have to be returned to the Department.

ATI's Response: In its response, ATI stated that it concurs with this finding. ATI submitted its revised unofficial withdrawal policy that includes the consequences of failing to earn a passing grade in all courses attempted. ATI's policy states, in part: students that receive all non-passing grades that are determined to be officially withdrawn may incur an overpayment. A Return to Title IV will be performed to determine the amount of financial aid earned.

Final Determination: This finding is considered

¹ ATI's Attendance policy is located on page 29 of its catalog provided prior to the program review.

Finding #3: Federal Pell Grant (FPELL) Overaward

Citation: 34 C.F.R. § 668.22(c), of the General Provisions, states 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 is earned by the student, as described in paragraph (e)(2) of this section, and determining the percentage of Title IV grant or loan assistance that has been earned by the student as described in paragraph (e)(2) of this section.

Similarly, Federal regulation, 34 C.F.R. § 690.62 indicates the amount of a student's FPELL award for an academic year is based upon the payment schedule and disbursement schedules published by the Secretary for each award year.

The scheduled award is the maximum amount a student can receive during an award year for a given enrollment status, after considering the student's expected family contribution (EFC) and cost of attendance (COA).

Noncompliance: For the 20101208 term, ATI disbursed \$2,775 in FPELL Grant funds for student #6 as if the student were enrolled fulltime. Student #6 was actually enrolled $\frac{3}{4}$ (9.5 credit hours) time for the 20101208 term and should have only received \$2063.

Required Action: In its response, ATI was required to provide supporting documentation to the Department that student #6 either earned the FPELL disbursed, or if not, that the ineligible FPELL funds have been returned to the appropriate program. ATI was informed that if the FPELL is an ineligible disbursement, it will be responsible for the overaward.

ATI's Response: In its response, ATI concurs with this finding. ATI provided supporting documentation for student #6 that indicates the FPELL overaward was returned to the appropriate Title IV program account. Additionally, ATI stated it has implemented a secondary review of all student files to ensure students are being awarded FPELL based on the correct enrollment status.

Final Determination: The Department's Common Origination and Disbursement (COD) supports the adjustment made on this student. This finding considered closed.

Finding #6: Inaccurately Reporting Disbursement Information to COD

Citation: 34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Department's COD system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement (COD Technical Reference, 2008-2009, Volume II). The disbursement date is the date that the institution:

- (a) Credits funds to a student's account, or;
- (b) Pays funds to a student directly

Refer to the COD Technical Reference, 2008-2009 and the June 9, 2008 Federal Register for the most recent reporting deadlines and requirements.

Noncompliance: Disbursement dates reported to COD were not accurate. The following chart illustrates an example of the difference between dates that Title IV funds were disbursed to the student's account versus disbursements dates reported to COD.

Student #	COD	Student Account Ledger	Program	Amount
2	01/11/2011	06/25/2011	FPELL	\$1,850
6	12/08/2010	12/30/2010	FPELL	\$2,750
9	10/25/2010	12/30/2010	FPELL	\$1,850

Required Action: ATI was required to review its COD reporting procedures to determine why disbursement dates are not accurate for its students. ATI was required to correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. ATI's was required to describe procedures that the institution will put in to place in order to correct this deficiency. In addition, the institution was required to correct the dates in COD for ALL of the students that were selected during this review. To show the correction has been made in COD, the institution was required to provide this office with a copy of the "Award Disbursements Information" page from the COD system.

ATI's Response: In its response, ATI stated that it reviewed the three students as well as all students in the statistical sample and made the necessary corrections as required. ATI also provided its updated procedures that includes an automated script function in conjunction with its Campus Management system to ensure all disbursements dates are accurately reflected in COD.

Final Determination: This finding is considered closed.

Appendix A: Student Sample

ATI Fort Lauderdale
OPE ID: 02215900
Student Sample

Award Year 2010-2011

No. Name SSN (Last 4-Digits)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

(b)(6); (b)(7)(C), (b)(7)(C)

Award Year 2011-2012

No. Name SSN

- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.

(b)(6); (b)(7)(C), (b)(7)(C)

Final Program Review Determination
PRCN #: 2012-2-04-27845

Appendix B

ATI's Response
to the Program Review Report



ATI Enterprises, Inc.
6331 Boulevard 26, Suite 275
North Richland Hills, TX 76180
(817) 557-3337 • (817) 284-0177

August 2, 2012

Federal Student Aid
School Participation Team – Atlanta
61 Forsyth Street, Suite 18T40
Atlanta, GA 30303-8918
ATTN: Mr. David Smittick

RE: Response to Program Review Report
OPE ID: 02215900
PRCN: 2012-2-04-27845

Dear Mr. Smittick:

ATI Enterprises, Inc. and ATI Career Training Center (ATI) (OPE ID 02215900) would like to thank you and your team for the professionalism, courtesy and assistance you extended during our recent program review the week of March 26, 2012. ATI is in receipt of the Program Review Report dated July 13, 2012. ATI conducted a review of the Program Review Report and agree with findings 1, 3, and 6 however; ATI respectfully disagrees with findings 2, 4, and 5 as outlined in the response.

Below is our detailed response regarding the recently issued Program Review Report. Should you have any questions or need any additional information, please contact me directly at dhewitt@atenterprises.edu or by phone at 817-846-7122.

Sincerely,
(b)(6); (b)(7)(C), (b)(7)(C)

Dena Hewitt
Director – Federal Regulatory Affairs

Finding 1: Unofficial Withdrawal Policy Not Adequately Developed

ATI conducted a review of the program report and our current catalog. ATI agrees the current policy does not include guidance regarding students who fail to earn a passing grade in at least one course over the entire period. In response, ATI drafted an Unofficial Withdrawal Policy that is included in Exhibit A.

Exhibit A addresses the unofficial withdrawal policy as outlined in the program review report

Finding 2: Return of Title IV Funds (R2T4) Calculation Error

ATI reviewed the one instance cited in the program review report (student #5). ATI respectfully disagrees with this finding. At the time of withdrawal, during the first 10-week term, the student was scheduled to complete 6 credit hours therefore the R2T4 calculation was based on that current schedule. The amount of \$925.00 that was utilized in the calculation was correct. The additional \$925.00 was returned as ineligible funds. Please see the 2011-12 Federal Student Aid Handbook reference below:

Volume 5, Chapter 2 page 5-32 and 5-33

If a student withdraws without completing at least one module, the student is considered to have withdrawn. Because the student failed to begin attendance in the number of credit hours for which the Federal Pell Grant was awarded, before performing the required Return calculation, the institution must recalculate the student's eligibility for Pell and Campus-based funds based on a revised cost of education and enrollment status. The institution then performs a Return calculation using the student's revised award.

Exhibit B includes a copy of the student's attendance and ledger card.

Finding 3: Federal Pell Grant (FPELL) Overaward

ATI reviewed the one student cited in the program review report (student #6). ATI agrees that the student was awarded a Pell Grant based on full time status when the student actually attended $\frac{3}{4}$ time. The ineligible funds were returned to the Pell Grant program on 3/26/12. In addition, an Administrative Credit was awarded to compensate for the \$6 over refund on 3/26/12. ATI has also implemented a secondary review of all student files to ensure students are being awarded based on the correct enrollment status.

Exhibit C includes a copy of the student's ledger card.

Finding 4: Credit Balance Deficiencies

ATI reviewed the one instance cited in the program review report (student #10). ATI respectfully disagrees with the finding. The credit balance on the student's account was a result of the ATI Master Promissory Note Institutional Loan for the first academic year. It is ATI's practice to credit the full amount of the institutional loan that includes two academic years. The student's full amount credited was \$4844.00 therefore resulting in a credit on the student's account of which was not caused by Title IV funds.

Exhibit D includes a copy of the student ledger card.

Finding 5: Additional Unsubsidized Loan Disbursed To Undergraduate Dependent Student Without Parental Loan For Undergraduate Student (PLUS) Denial

ATI reviewed the one instance cited in the program review report (student #7). ATI respectfully disagrees with the finding. ATI has attached documentation from the Financial Aid Officer, student and the ISIR to indicate the parent is not a US Citizen or permanent resident. As indicated in the Federal Student Aid Handbook, the student was awarded increased Unsubsidized Funds. Therefore, no refund has been processed to return these eligible funds.

Exhibit E included documentation of parent's non US Citizenship status.

Finding 6: Inaccurately Reporting Disbursement Information to COD

ATI reviewed the three students cited in the program review report. Per the program review report, ATI reviewed and strengthened its procedures to ensure all COD reporting is accurate and timely. ATI also reviewed each student selected in the program review visit in COD and made the necessary corrections to the students.

ATI has developed an automated script function in conjunction with Campus Management to ensure all disbursement dates are reflected accurately at the time of reporting to COD.

Exhibit F contains all COD print outs for the students requiring a change or update on COD.

Final Program Review Determination
PRCN #: 2012-2-04-27845

Appendix C
Program Review Report



FYI

July 13, 2012

Mr. Michael Gries
President
ATI Career Training Center
6331 Boulevard 26
Suite 275
North Richland Hills, TX 76180

UPS Tracking Number 1ZA5467Y0196498135

RE: **Program Review Report**
OPE ID: 02215900
PRCN: 2012-2-04-27845

Dear Mr. Gries:

From March 26, 2012 through March 30, 2012, David Smittick and Melody Parker-Venable as representatives of the U.S. Department of Education, conducted a review of ATI Career Training Center's (ATI) 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) located at its Fort Lauderdale, FL site as referenced above by OPE ID 02215900. 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 ATI. The response should include a brief, written narrative for each finding that clearly states ATI's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, ATI must provide supporting documentation as required in each finding.

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

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –

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, Atlanta School Participation Division
61 Forsyth Street, Suite 18T40
Atlanta, Georgia 30303-8918
www.FederalStudentAid.ed.gov

- a. A written statement addressing the institution's response;
- b. A written statement of the basis for such report or determination; and
- c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by ATI 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 David Smittick 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 does 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 David Smittick at 404-974-9301 or David.Smittick@ed.gov.

Sincerely,

(b)(6); (b)(7)(C); (b)(7)(C)

Chris Miller
Compliance Manager

cc: Danielle Toner, Financial Aid Administrator

Enclosure: Protection of Personally Identifiable Information

Prepared for

ATI Career Training Center



START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID 02215900
PRCN 2012-2-04-27845

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

Program Review Report

July 13, 2012

Federal Student Aid, Atlanta School Participation Division
61 Forsyth Street, Suite 18T40
Atlanta, Georgia 30303-8918
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OPE ID: 02215900
PRCN: 2012-2-04-27845

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

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Finding #1: Unofficial Withdrawal Policy Not Adequately Developed

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funds. The formula is based, in part, on the amount of time a student actually spent in attendance at the school. If the amount disbursed to the student is *greater* than the amount the student earned, unearned funds must be returned no later than 45 days after the date the institution determined that the student withdrew. If the amount disbursed to the student is *less* than the amount the student earned, and for which the student is otherwise eligible, the student may be eligible to receive a post-withdrawal disbursement of the earned aid not received. See 34 § C.F.R. 668.22

With respect to unofficial withdrawals, DCL GEN-04-03 dated November 2004 states that schools must have a procedure for determining whether a Title IV recipient who began attendance during the period actually completed the period, or if the recipient should be treated as a withdrawal. If a student earns a passing grade in one or more of his/her classes during the period for that class, the school can presume that the student completed the course, and thus the period. However, if a student who began attendance and did not officially withdraw fails to earn a passing grade in at least one course offered over an entire period, the school *must* assume, for Title IV purposes, that the student has unofficially withdrawn (unless the school can document that the student completed the period).

In addition, schools have two options for determining the last date of attendance of an unofficial withdrawal: 1) use the midpoint of the payment period or period of enrollment, or 2) if the school is not required to take attendance, determine the last documented academically related activity (e.g., exam, quiz, tutorial, computer-assisted instruction, academic advising/counseling, academic conference, completion of an academic assignment, paper, or project, and/or attending a study group required by the school where attendance was taken). See 2010-2011 *Federal Student Aid Handbook, Volume Five, Chapter Two, pages 5-76 through 5-79.*

Noncompliance: ATI does not have a published unofficial withdrawal policy. The institution's Attendance Policy states, students that miss more than ten (10) consecutive scheduled days will be dismissed from school¹.

Similarly, ATI's published procedure for withdrawing states, in part, students who wish to terminate their training for any reason are required to take the following steps:

1. Notify the school Director in writing. The written notification should explain the reasons for wishing to terminate.
2. Schedule an exit interview with a member of the Financial Aid office staff. All student loan borrowers are required to sign an exit interview form.

Required Action: If a student who began attendance and did not officially withdraw fails to earn a passing grade in at least one course offered over an entire period, the

¹ ATI's Attendance Policy is located on page 29 of its catalog provided prior to the program review.

school *must* assume, for Title IV purposes, that the student has unofficially withdrawn (unless the school can document that the student completed the period).

In its response to this report, ATI is required to revise its withdrawal policy to include the consequences for Title IV recipients who unofficially withdrew. For example, a student that received all non-passing grades, and its determined that the student unofficially withdrew, the student may be in an overpayment situation because of the withdrawal. An R2T4 calculation will be performed to determine the amount of Title IV aid earned, and that funds may have to be returned to the Department.

Finding #2: Return To Title IV (R2T4) Calculation Error

Citation: 34 C.F.R. § 668.22(a) of the General Requirements require an institution to determine the amount of Federal Student Aid (FSA) funds earned by a student if the student withdraws from school after beginning attendance. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, the student may be eligible to receive a post-withdrawal disbursement of the earned aid not received.

Noncompliance: For student #5 (first and only term), ATI did not correctly calculate the R2T4 refund. ATI did not include the correct Federal Pell Grant (FPELL) amount in its refund calculation. In step one of the R2T4 calculation worksheet, ATI indicated \$925 had been disbursed in FPELL Grant funds instead of the \$1,850 it actually disbursed. As a result, ATI returned \$262 more than what was required.

Required Action: ATI must accurately perform R2T4 calculations to ensure the correct amount of Federal Student Aid (FSA) is returned to the appropriate program. ATI must provide supporting documentation of the corrected R2T4 calculation and that the ineligible funds have been returned to the appropriate Title IV program account.

Finding #3: Federal Pell Grant (FPELL) Overaward

Citation: 34 C.F.R. § 668.22(c), of the General Provisions, states 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 is earned by the student, as described in paragraph (e)(2) of this section, and determining the percentage of Title IV grant or loan assistance that has been earned by the student as described in paragraph (e)(2) of this section.

Similarly, Federal regulation, 34 C.F.R. § 690.62 indicates the amount of a student's FPELL award for an academic year is based upon the payment schedule and disbursement schedules published by the Secretary for each award year.

The scheduled award is the maximum amount a student can receive during an award year for a given enrollment status, after considering the student's expected family contribution (EFC) and cost of attendance (COA).

Noncompliance: For the 20101208 term, ATI disbursed \$2,775 in FPELL Grant funds for student #6 as if the student were enrolled fulltime. Student #6 was actually enrolled $\frac{3}{4}$ (9.5 credit hours) time for the 20101208 term and should have only received \$2063.

Required Action: In its response, ATI must provide documentation to the Department that student #6 either earned the FPELL disbursed, or if not, that the ineligible FPELL funds have been returned to the appropriate program. If the FPELL is an ineligible disbursement, ATI will be responsible for the overaward.

Repayment instructions will be provided in the Department's Final Program Review Determination Letter.

Finding #4: Credit Balance Deficiencies

Citation: A Federal Student Aid (FSA) credit balance occurs whenever your school credits FSA program funds to a student's account and the total amount of those funds exceeds the student's allowable charges. An institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than: See 34 C.F.R. § 668.164(e).

1. 14 days after the credit balance occurred if the credit balance occurred after the first day of class of a payment period; or
2. No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

Similarly, a school is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent in the case of PLUS). If an institution has the authorization to hold credit balances, it must identify the amount of funds that it holds for the student or parent in a subsidiary ledger account designated for that purpose. Institutions must maintain at all times cash in its bank account at least equal to the amount it holds for students. See 34 C.F.R. § 668.165(b).

Because FSA funds are awarded to students to pay current year charges, notwithstanding any authorization from the student or parent, Institution's must pay:

1. Any remaining balance of FSA funds by the end of the loan period, and
2. Any other remaining FSA program funds by the end of the last payment period in the award period in the award year for which they were awarded.

Noncompliance: For student #10, a Title IV credit balance was created on 01/27/2012 for \$1,880. However, as of 03/26/12, ATI had not paid the credit balance to the student. This student's loan period ended on 03/23/12.

Required Action: ATI must pay the student his/her credit balance and provide documentation in its response that it has done so. If the institution has otherwise determined that the student is not eligible for the credit balance, ATI must provide the Department with the reasons for its determination.

Finding #5: Additional Unsubsidized Loan Disbursed To Undergraduate Dependent Student Without Parental Loan For Undergraduate Student (PLUS) Denial

Citation: 428H(d)(2) of the Higher Education Act (HEA). That statutory provision authorizes a dependent undergraduate student to borrow an additional unsubsidized Stafford loan if the student's parents are unable to borrow under section 428B or the Federal Direct PLUS Loan Program.

Similarly, 34 C.F.R. § 685.203(c)(1)(ii) states, a dependent undergraduate student may borrow amounts under the FDL program in addition to any amount borrowed under section (b) of this section². A dependent undergraduate student is who qualifies for additional FDL unsubsidized amounts under this section in accordance with paragraph (c)(1)(ii) is not eligible to receive additional FDL unsubsidized loan amounts.

Noncompliance: Student # 7, a dependent student was awarded and disbursed FDL unsubsidized loan amounts that exceeded the eligible \$2,000 without having a documented PLUS denial in her file during the 2010-2011 award year.

The student's file contained a FDL PLUS loan pre-approval form signed by the parent, but not processed in the Department's Common Origination and Disbursement (COD) system indicating the parent's ineligibility. Federal regulations require a parent of a dependent student to apply for and be denied a PLUS loan before awarding and disbursing additional unsubsidized loans to a dependent student. There are exceptional circumstances that you may consider before certifying additional unsubsidized loans for dependent students. For example, the parent of the dependent student is not a U.S. citizen.

According to its pre-approval application, the parent is not a U.S. citizen; however, it does not appear that ATI exhausted every avenue before awarding additional unsubsidized loan funds to student #7, such as perhaps attempting to secure an endorser if the parent was denied or ineligible.

² Section (b) indicates a dependent undergraduate student may be eligible for \$2,000 in FDL unsubsidized loans for a program of student of at least one academic year in length without a PLUS denial and a prorated amount if less than one one academic year in length..

Required Action: If the student is determined to be eligible for additional unsubsidized loans based on your documentation due to exceptional circumstances, ATI must document those exceptional circumstances and provide in its response that supporting documentation. If the institution is unable to provide supporting documentation regarding its decision to disburse additional unsubsidized loan amounts that exceeded the student's \$2,000 eligible amount, ATI will be responsible for repayment of the \$4,000 in unsubsidized loans disbursed on this student's behalf.

Repayment instructions will be provided in the Department's Final Program Review Determination Letter.

Finding #6: Inaccurately Reporting Disbursement Information to COD

Citation: 34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Department's COD system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement (COD Technical Reference, 2008-2009, Volume II). The disbursement date is the date that the institution:

- (a) Credits funds to a student's account, or;
- (b) Pays funds to a student directly

Refer to the COD Technical Reference, 2008-2009 and the June 9, 2008 Federal Register for the most recent reporting deadlines and requirements.

Noncompliance: Disbursement dates reported to COD were not accurate. The following chart illustrates an example of the difference between dates that Title IV funds were disbursed to the student's account versus disbursements dates reported to COD.

Student #	COD	Student Account Ledger	Program	Amount
2	01/11/2011	06/25/2011	FPELL	\$1,850
6	12/08/2010	12/30/2010	FPELL	\$2,750
9	10/25/2010	12/30/2010	FPELL	\$1,850

Required Action: ATI must review COD reporting procedures to determine why disbursement dates are not accurate for its students. ATI must correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. ATI's response must describe procedures that the institution will put into place in order to correct this

deficiency. In addition, the institution must correct the dates in COD for ALL of the students that were selected during this review. To show the correction has been made in COD, the institution must provide this office with a copy of the "Award Disbursements Information" page from the COD system.

ATI Fort Lauderdale
OPE ID: 02215900
Student Sample

Award Year 2010-2011

No. Name SSN (Last 4-Digits)

No.	Name	SSN (Last 4-Digits)
1.		(b)(6); (b)(7(C),(b)(7)(C)
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

Award Year 2011-2012

No. Name SSN

No.	Name	SSN
16.		(b)(6); (b)(7(C),(b)(7)(C)
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		