



How to Prepare for a US DOE Program Review

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How to Prepare for a Program Review

Why are program reviews increasing?

How to react to a program review

Post-review responses

Pre-emptive steps

Why Have US DOE Program Reviews Increased?

Why Have DOE Program Reviews Increased?



A strong focus on accountability



Belief that there are many CPAs not doing their jobs



Belief that there is some egregious non-compliance



DOE massively increased program review auditors

Why Have DOE Program Reviews Increased (continued)?



For-profit institutions are a major focus



They are finding major issues at institutions



DOE is driving for additional changes



Politics always play a part!



Other DOE Activities

- Increase in desk reviews
- Calling auditors directly to ask questions
- Asking for 100% testing of population for related findings
- Written threats over closing of schools
- Major delays in concluding on reviews

DOE is Under Attack



What to Do When You Receive the Review Letter

What to Do When You Receive the Review Letter

- Make sure the timing is appropriate for you!
- Don't hide from the letter and make sure you inform internal leadership of the review
- Build a strategy to be ready for the onslaught of information requested
- Build a strategy to assure the easy fixes are done prior to the review

DOE self-assessment is a wonderful tool

- DOE built it for institutions working to be compliant
- Start the review process immediately
- The SFA director is already inundated with pulling information for the request – find another reviewer or outsource the review
- Remember, auditors do not test all regulations, as they are not required



What is in the DOE self-assessment?

- Almost every regulation that can be tested in a program review is in the self-assessment
- It not only deals with the information necessary for a student's file, but also the consumer information regulations
- A very logical process with compliant- or not compliant-type questions



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» FSA Assessments

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Training & Guidance

Conferences &
Upcoming Events

Recent
Correspondence

Data Analysis Reports

Archive

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Links

FSA Assessments

In collaboration with financial aid professionals, Federal Student Aid has designed the FSA Assessments to help schools with compliance and improvement activities. The assessments contain links to applicable laws and regulations. The [FAQ page](#) provides guidance on how to navigate and begin using the FSA Assessments. The [FSA Assessments Chart](#) can help you choose the FSA Assessments to complete. For an online tutorial click [here](#).

Students

[Student Eligibility](#)

[Satisfactory Academic Progress](#)

[Verification](#)

Schools

[A Guide to Creating a Policies and Procedures Manual](#)

[Consumer Information](#)

[Default Prevention & Management](#)

[Direct Loans](#)

[Fiscal Management](#)

[Institutional Eligibility](#)

[Return of Title IV Funds](#)

Campus-Based Programs

[FSEOG](#)

[FWS](#)

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- [Awarding & Disbursement](#)
- [Cancellation](#)
- [Due Diligence](#)
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- [Repayment](#)



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Home

FSA Assessments

Students

Schools

A Guide to Creating a
Policies and
Procedures Manual

» Consumer
Information

Default Prevention &
Management

Direct Loans

Fiscal Management

Institutional
Eligibility

Return of Title IV
Funds

Campus-Based
Programs

Consumer Information

This assessment describes the requirements for the consumer information that a school must provide to students, the Department, and others.

Review the [Consumer Information Disclosures at a Glance](#) document that provides a summary of school disclosure requirements.

If you identify areas requiring a corrective action, we recommend that you complete an [Action Plan](#).

Activity Bar:

[Consumer Information Activity 1: Institutional and Financial Assistance Information for Students](#)

[Consumer Information Activity 2: Drug & Alcohol Prevention](#)

[Consumer Information Activity 3: Consumer Information for Student Athletes](#)

[Consumer Information Activity 4: Student Right-to-Know Act](#)

[Consumer Information Activity 5: Clery/Campus Security Act](#)

[Consumer Information Activity 6: FERPA](#)

[Consumer Information Activity 7: Safeguarding Customer Information](#)

[Consumer Information Activity 8: Fire Safety Reports and Student Housing](#)

[Consumer Information Activity 9: Misrepresentation](#)

[Consumer Information Activity 10: Loan Disclosures](#)

[Consumer Information Activity 11: Gainful Employment Disclosures](#)

Additional Links: [2015-2016 FSA Handbook, School Eligibility & Operations, Chapter 6](#); [2015-2016 FSA Handbook, School Eligibility & Operations, Chapter 7](#); [Campus Security Resources](#); [Online Training Module, Consumer Information – DCL ANN-14-15](#); [DCL GEN-14-13 \(Changes to the Clery Act by the Violence Against Women Reauthorization Act of 2013\)](#); [DCL GEN-15-15 Implementation of the VAWA Final Regulations](#)

Please note the regulatory citations are referenced in the first column of the assessment. To link to any of the regulatory references, click on the link in the regulatory link column and scroll down to the applicable section.

CONSUMER INFORMATION

Activity 2: Drug and Alcohol Abuse Prevention Information

Review and record what office is responsible for reviewing and updating the information listed below. Also indicate where this information is located and when it was last updated.

Drug and Alcohol Abuse Prevention Information [568.14\(c\)](#); [34 CFR 86](#)

Office Responsible:	
Area Information is located:	
Date Document was last updated:	
Date Policy and Procedure was last updated:	

Drug and alcohol abuse materials ([34 CFR 86.100](#)):

The institution's drug prevention materials must be annually distributed to each employee, and to each student who is taking one or more classes for any type of academic credit except for continuing education units, regardless of the length of the student's program of study. At a minimum, the materials must include the following:

- ☐ Information on preventing drug and alcohol abuse;
- ☐ Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of drugs and alcohol by students and employees on the school's property, or as part of the school's activities;
- ☐ A description of the sanctions under local, state, and federal law for unlawful possession, use, or distribution of illicit drugs and alcohol;
- ☐ A description of any drug and alcohol counseling, treatment, or rehabilitation or re-entry programs available to students and employees;
- ☐ A description of the health risks associated with the use of illicit drugs and alcohol;
- ☐ A clear statement that the school will impose sanctions on students and employees for violations of the standards of conduct (consistent with local, state, and federal law) and a description of these sanctions, up to and including expulsion, termination of employment, and referral for prosecution. A disciplinary sanction may include the completion of an appropriate rehabilitation program.

Distribution of Materials:

- ☐ Must use a method for distribution that will reach every student and employee, such as the method used to distribute grade reports or paychecks;
- ☐ Must annually distribute materials to students and employees. If new students enroll or new employees are hired after the initial distribution for the year, the school must make sure that they also receive the materials.

Biennial Review:

- ☐ The school must conduct a biennial review of its program to determine its effectiveness and implement changes to the program if they are needed and ensure that any disciplinary sanctions are consistently enforced

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Home

FSA Assessments

Students

Schools

➤ **A Guide to Creating a Policies and Procedures Manual**

Consumer Information

Default Prevention & Management

Direct Loans

Fiscal Management

Institutional Eligibility

Return of Title IV Funds

Campus-Based Programs

A Guide to Creating a Policies & Procedures Manual

This assessment outlines the minimum policies and procedures requirements for administering Title IV Aid.

[Policies and Procedures Activities At-A-Glance](#) identifies areas outlined in the law and regulations that require a written policy and procedure and also provides links to the regulations. If you identify areas requiring a corrective action, we recommend that you complete an [Action Plan](#).

Activity Bar:

[Policies and Procedures Activity 1: Developing or Enhancing Procedures](#)

Section	Description	Activity
Cover page and Table of Contents	A Cover Page that can be used when designing your Policies and Procedures Manual.	Policies and Procedures Activity 1: Developing or Enhancing Procedures
Introduction and Section 1	Administrative Capability	
Section 2	Institutional Eligibility	
Section 3	General Provisions Regulations	
Section 4	Federal Perkins Loans Program	
Section 5	FWS and Job Location and Development Program	
Section 6	Federal SEOG Program	
Section 7	Federal Pell Grant Program	
Section 8	Federal Direct Loan Program	
Section 9	TEACH Grant Program	
Appendix A	Acronyms and Terms	
Appendix B	Example of a Completed Section of the Administrative Capability Policy & Procedure	
Appendix C	Policies and Procedures at a Glance	

What to Do When You Receive the Review Letter (continued)

Contact your external auditor

- Intel on the reviewer
- Intel on top issues
- Areas of concern
- Feedback on prior years' findings
- A process to follow

Contact the DOE auditor

- Set expectations for timing and logistics
- Ask what they are going to test
- Find out if there is anything they will need for the time they are there

What to Do When the Auditors are Onsite

Respect the Auditors

- Be nice – they are human
- Don't put them in the dungeon
- Do not continually argue with auditors or be condescending
- Don't provide them with treats, either (it is a bribe!)
- Be prepared and organized
- No contact with your disgruntled employees
- Try to build a relationship with them; this does help

Respect Yourself

- Most SFA directors are very smart, and so are yours!
- Nobody is perfect – small finds are wins
- Do not automatically say “my bad”
- Don’t crawl into a shell

Have a good attitude!

- The regulations are not wrong, nor are they punishment
- Take the attitude that this is a learning experience
- Be courteous and timely for all meetings
- For items you disagree with, ask them for their support
- If you still disagree, bring your own documentation

Meetings with the Auditors

- Try to get clarity in questions asked by the auditors when confused
- Do not spill the beans; answer only what they ask for
- Always go into meetings with two people
- Try to have set times when you go to answer questions
 - surprise visits can be deadly

Meetings with the Auditors (continued)

- For each item, ask if it is verbal or a written issue
- For each written issue, ask if it is a major issue or minor
- Spend more time defending the major issues
- If there is a major issue you cannot defend, ask what you should do for next steps, if there are any

Post In-Field Review

Responding to the Finding(s) Letter

Take each matter seriously

Research each finding (95% of the time, DOE is correct)

Find ways to mitigate the findings for the future

Call your CPA/external auditor for some of their ideas for corrections

Call the DOE auditor on your ideas of corrections

Responding to the Finding(s) Letter

Write your response in a very professional manner


Inquire of the DOE which of the findings appear to be major infractions to prioritize corrections

Engage with people throughout the institution to help mitigate the findings

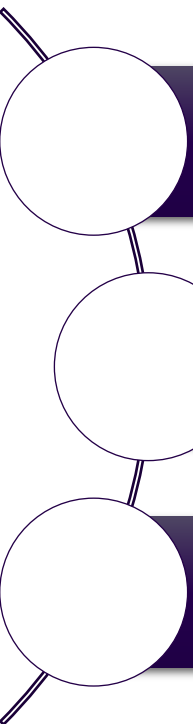
Your world is not ending – use it as training!

Do what you said you would do in the letter

Top 10 Findings & Common Deficiencies

- 
- NSLDS: Student loan roster reporting
 - Return (R2T4) calculation errors
 - Late return of title IV funds
 - Verification errors
 - Pell Grant over- or under-payment
 - Student credit balances
 - Entrance and exit counseling errors

Top 10 Findings & Common Deficiencies

- 
- Qualified auditors' opinion cited
 - G5 draw-downs untimely or incorrectly reported
 - Repeat findings

Preemptive Steps

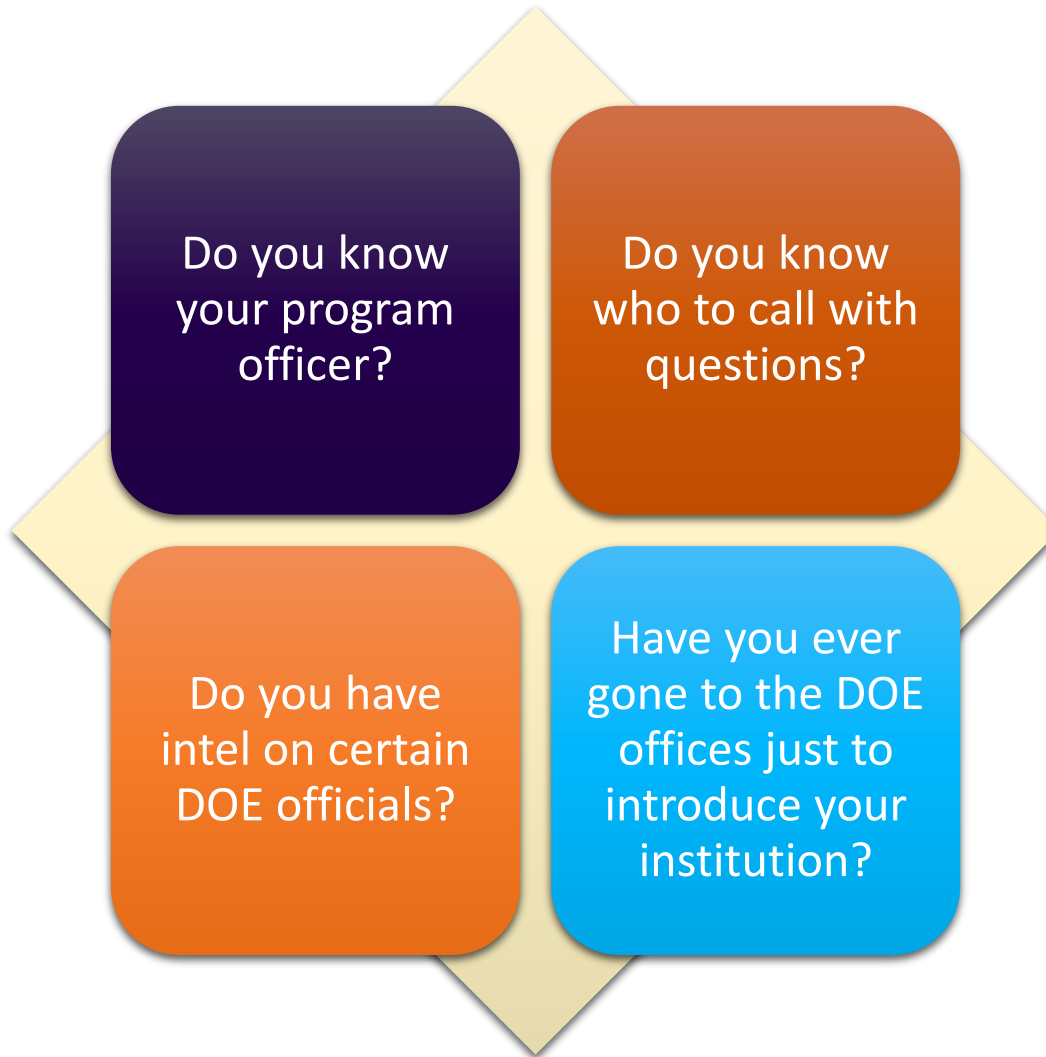
Tone at the Top

- What the President/CEO says matters
- If the SFA director is looking to cut corners, others will as well
- They are regulations, not punishment
- Belief that you need to adhere to the rules is extremely important to meeting compliance

As discussed, utilize the DOE self-assessment

- Internal audit or SFA Department
- Understand the requirements the DOE is testing
- Do sample tests of populations
- Verify that all consumer information is up to date
- CPAs do not test all the requirements!

Build a relationship with the DOE





Drive for zero tolerance

- Build controls to reduce findings
- Review files for the higher-impact regulations (refunding)
- Make sure you document who is working on which student file or area
- Tone at the top!

Train, train, train



Invest in staff
development

DOE free
training

Your state's
training

Bring training
in



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