



Program Review Process

June 2015

Forward

Since its inception in 1977, Program Review has been committed to helping schools accurately and effectively administer state and federal financial aid programs. Our goal is to ensure that all state and federal financial aid programs are administered in compliance with applicable law, regulations, and policies.

We are committed to promoting and maintaining integrity, accuracy, and timeliness in the certification and delivery of financial assistance to students and their families. Currently, we conduct routine reviews in an effort to better serve the financial aid community and provide training.

Through the program review process, we hope to encourage an atmosphere of mutual respect and support within the financial aid community. By sharing ideas, professional competencies, and experiences, we believe that we can effectively serve the diverse needs of students, families, and schools.

This guide will familiarize you with the program review process. Please contact us with questions or suggestions. We appreciate your continued support and participation in PHEAA-administered financial aid programs.

Contact Information

PHEAA Program Review

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I. Purpose & Scope

A program review is performed to assess the capability of an educational institution to manage financial aid programs administered by PHEAA on behalf of the U.S. Department of Education and the Commonwealth of Pennsylvania. The main scope of the program review will include the school's administration of the Pennsylvania State Grant Program. Other programs reviewed, if administered by the school, may include the Higher Education for the Disadvantaged (Act 101) Program, the Blind or Deaf Beneficiary Grant (BDBG) Program, the Educational Training Grant (Chafee) Program, the (National Guard) Education Assistance Program (EAP), the Institutional Assistance Grant (IAG) Program, the Partnership for Access to Higher Education (PATH) Program, the PA Targeted Industry Program (PA-Tip), the Ready to Succeed Scholarship (RTSS) Program, the State Grant Distance Education Pilot Program (SDGEPP), and the State Work-Study Program (SWSP).

II. Types of Program Reviews

PHEAA conducts three different types of program reviews at the schools:

A. Routine Review

A routine program review includes a review of school policies, as well as a sample of student accounts.

A routine program review takes approximately one to three days to complete. Program review findings are reported to school officials via point sheets during the review (See Exhibit C). School officials are given an opportunity to review and respond to the issues noted on the point sheets. All unresolved issues are discussed at the exit interview. Subsequent to the review, a findings letter is mailed to the president, financial aid administrator's (FAA's) supervisor and a copy is sent to the FAA. School officials must respond to the findings within the given time frame stated on the letter and make all requested refunds.

B. Follow-Up Review, Probation Review

A follow-up, probation review is conducted if the institution's State Grant error rate exceeds the acceptable limit.

- A final error rate between 4.1 percent and 8.9 percent requires a follow-up review of the prior academic year of the State Grant records.
- An error rate of 9 percent or higher indicates the possibility of major problems with the administration of the State Grant program.
- The school will remain on probation until PHEAA conducts 2 consecutive program reviews with acceptable final error rates.
- Subsequent to the review, a findings letter is mailed to the president, financial aid administrator's (FAA's) supervisor and a copy is sent to the FAA. School officials must respond to the findings within the given time frame stated on the letter and make all requested refunds.

C. School Closing Review

This review will be conducted when an institution closes. The review is scheduled within 30 days of institution's closure date. In this case, a routine program review of State Grant and special programs records is conducted. More than one academic year can be reviewed if applicable. Subsequent to the review, a findings letter is mailed to the president, financial aid administrator's (FAA's) supervisor and a copy is sent to the FAA. The institution's officials must respond to the findings and make all requested refunds within 30 days or request an extension.

III. Sample Size

The sample size will vary depending upon the type of review being conducted; however, the samples will overlap. The following chart summarizes the three types of reviews conducted by PHEAA and the sample size for each type of review.

See chart on next page...

Type of Review	Characteristics of the Review	Sample Size
Routine Program Review	<p>Scheduled by PHEAA-</p> <ul style="list-style-type: none"> • Review is conducted. • Findings letter is mailed to the president, financial aid administrator's supervisor and a copy is sent to the financial aid administrator. • The school must respond and resolve any findings within the time frame given on the report or request an extension—this includes making required refunds. 	<p>30-45 State Grant Files (for schools with less than 30 files, 100% of the files will be reviewed)</p> <p>5-10 State Grant Special Program records, such as:</p> <ul style="list-style-type: none"> • Higher Education for the Disadvantaged (Act 101) • Blind or Deaf Beneficiary Grant (BDBG) • Educational Training Grant (Chafee) • (National Guard) Educational Assistance Program (EAP) • Institutional Assistance Grant (IAG) • Partnership for Access to Higher Education (PATH) • PA Targeted Industry Program (PA-TIP) • Ready to Succeed Scholarship (RTSS) • State Grant Distance Education Pilot Program (SGDEPP) • State Work-Study Program (SWSP)
Follow-Up Review, Probation Review	<p>Scheduled by PHEAA-</p> <ul style="list-style-type: none"> • Review is conducted if the institution's State Grant error rate exceeds the acceptable limit. • A final error rate between 4.1 percent and 8.9 percent requires review of current and possibly the following year of State Grant records. • If an institution received, an error rate of 9 percent or higher, they will be placed on probation. 	<p>30-45 student files (for schools with less than 30 files, 100% of the files will be reviewed) and will encompass the State Grant records.</p>
School Closing Review	<ul style="list-style-type: none"> • Scheduled by PHEAA within 30 days of institution's closure date. • Review conducted when an institution closes. In this case, a routine program review of State Grant records is conducted. More than one academic year can be reviewed if applicable. • Findings letter is mailed to the president, financial aid administrator's supervisor and a copy is sent to the financial aid administrator. • The institution must respond and resolve any findings within 30 days of the initial report or request an extension. This includes making required refunds. 	<p>100% of student files and will encompass the State Grant and Special Programs records.</p>

IV. Frequency of Program Reviews

Generally, program reviews are conducted once every 2 to 3 years. There are some instances where more frequent program reviews may be required by federal policies (e.g. a high cohort default rate) and by the State Grant Program (e.g. schools in a probationary status or with a high State Grant error rate in excess of 4%). In these cases, schools are advised of the reasons for the increased frequency of reviews.

V. Scheduling/Notification

The Financial Aid Administrator (FAA) will receive a telephone call and/or email approximately 30 to 45 days in advance of the program review. At this time, the date is flexible and, if necessary, can be changed to the subsequent month to accommodate school schedules. The FAA should notify other school officials that will be involved in the program review (e.g. Business Office and Registrar), of the tentative date of the program review to confirm their availability during the scheduled review.

Subsequent to the telephone call or email, the FAA will receive an official letter via email confirming the date and time of the program review (See Exhibits A and B). At this time, the FAA is asked to supply specific documents to PHEAA prior to the scheduled review and to have other documents available at the entrance interview (see Exhibit B).

VI. Pre-Review

Prior to a scheduled program review, the Compliance Coordinator will review the information school officials were asked to provide in the notification letter.

VII. Site Visit

The amount of time needed for the on-site review depends upon the type of review being conducted and the number of files being reviewed. The on-site review consists of three parts:

1. Entrance Interview

The program review will begin with an entrance interview. All school officials who are directly associated with the procedures involved in the review should be invited to attend the interview. The entrance interview includes the following components:

- The Compliance Coordinator will explain the purpose and scope of the review.
- The Compliance Coordinator will discuss any questions or concerns resulting from his or her evaluation of the pre-review materials referenced in Section VI (including questions or concerns about school policies and procedures).
- The Compliance Coordinator will answer any questions that school officials may have.
- The Compliance Coordinator will provide school officials with a list of the students whose records will be included in the file review.
- The Compliance Coordinator will ask the FAA to identify appropriate contact people from each office involved in the program review.

2. File Review

Each file is reviewed to determine compliance with State regulations. Potential findings are discussed with school officials during the on-site visit. Prior to the exit interview, school officials will receive a “point sheet” identifying each potential finding (See Exhibit C). School officials will be given an opportunity to provide an initial response prior to the exit interview. If additional time is needed to research a particular finding, school officials may be given up to an additional week to conduct research and respond to the potential finding. In some cases, the school may be able to eliminate a finding from the initial report. In other cases, the finding may be included in the initial report with a statement indicating that the school has satisfactorily responded to the concern.

3. Exit Interview

The on-site review will conclude with an exit interview. It is important for all school officials who were involved in the program review to be invited to attend the exit interview. The exit interview will include the following components:

- The Compliance Coordinator will reiterate the purpose and scope of the review.

- The Compliance Coordinator will discuss all unresolved findings.
- The Compliance Coordinator may also recommend changes to policies, procedures, and/or financial aid processes.
- The Compliance Coordinator will explain the timeline for the school to provide any outstanding information and documentation.
- The Compliance Coordinator will answer any questions that school officials may have.

In addition, the school is advised of the requirements to resolve the findings and of all potential liabilities.

VIII. Initial Report

A findings report is mailed to the institution approximately 30 to 60 days following the on-site visit.

Routine, Follow-Up and School Closing Program Reviews: The report is mailed to the president, FAA's supervisor and a copy is sent to the FAA. The report will list the finding(s), the appropriate regulatory reference, and the action the institution is required to resolve the finding(s). The institution must provide a response to each finding and must make all requested refunds.

IX. Secondary Response(s)

The Compliance Coordinator will review the institution's response to the initial program review finding(s). If additional action is needed, a secondary response is sent to the institution.

X. Closing the Review

When the institution has satisfactorily responded to all of the finding(s) from the program review and made all the required refunds, a closing letter is sent to the institution.

XI. Frequently Asked Questions

1. Why was my school selected for a program review?

As stated in Section IV, PHEAA conducts program reviews once every 2 to 3 years.

2. Why do I have to send you information prior to the on-site visit?

The requested information allows the Compliance Coordinator to prepare for the program review and reduces the amount of time that he or she will need to spend on-site. In addition, if there are any concerns regarding any of the requested policies or procedures, those concerns are discussed at the entrance interview. If changes or updates are needed, the Compliance Coordinator is available to answer questions and provide assistance.

3. What if I cannot respond to the program review findings within the requested time frame?

If you are unable to respond to the program review findings within the requested time period, you should contact PHEAA Program Review at (717) 720-2740 and/or ProgramReview@PHEAA.org to request an extension.

4. I want to resolve the program review finding(s) via paper check. Who do I write the check out to and where should I mail the payment?

If it is determined that the student(s) referenced in the program review findings letter were not eligible for the referenced funds, please make your check payable to PHEAA and return it with the form that was enclosed in the program review findings. Mail your check to: PHEAA, Program Review, 1200 North Seventh Street, Harrisburg, PA 17102-1444.



Date

Name
Address

Dear _____:

This letter is to confirm that PHEAA has scheduled a program review at your institution beginning on MM/DD/CCYY. NAME OF COMPLIANCE COORDINATOR will be at your institution at TIME on that date. The scope of the review will primarily focus on AY being reviewed academic year records. The review will include approximately 30 to 45 student files and will encompass the State Grant and Special Program records.

Your school is required to provide access to all State Grant and Special Program records. This program review will evaluate the following:

1. General institutional eligibility
2. Program administration
3. Student eligibility
4. Student financial aid files
5. Student academic, registration and attendance records; and
6. Fiscal administration records

Please inform members of your staff who are responsible for the State Grant and Special Programs (including Act 101 staff, if applicable) of the dates of the program review. Officials from the financial aid office, business office and registrar's office must be available to answer questions during the program review and should also be present during the entrance and exit interview.

Your cooperation throughout the program review process will be appreciated. If you have any questions regarding the program review, please call this office at (717) 720-2740.

Sincerely,

Manager,

Institution Compliance & Eligibility

**LIST OF ATTACHMENTS
PHEAA PROGRAM REVIEW**

The following items must be forwarded to PHEAA via email to **reviewer email** within five **(5)** days of receipt of this correspondence:

1. Tuition refund policy
2. Satisfactory academic progress policy
3. Policy(s) regarding online or hybrid courses

A list of student files to be reviewed will be provided to school officials at the entrance interview. These files must include the following documentation as applicable.

1. Student contracts, enrollment agreements or registration forms.
2. Evidence of admissions criteria such as high school diploma or GED.
3. Completed admissions and financial aid forms.
4. Class schedule and attendance records.
5. Documentation of satisfactory academic progress.
6. Documentation supporting the student's withdrawal date.
7. Refund calculation worksheet(s).
8. Student need analysis documentation.
9. Student account cards or ledgers and any pertinent supporting documentation.
10. Documentation of student refund checks being negotiated.

