



***Program Compliance Office
Cal Grant Program Review Report***

2007-08 Award Year

**Culinary Institute of America
Program Review ID#90900730400**

**2555 Main Street
St. Helena, CA 94574**

Program Review Dates: July 2009

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TABLE OF CONTENTS

	<u>Page Number</u>
AUDITOR'S REPORT	
SUMMARY.....	3
BACKGROUND	3
OBJECTIVES, SCOPE AND METHODOLOGY	4
CONCLUSION.....	5
VIEWS OF RESPONSIBLE OFFICIALS.....	5
FINDINGS AND REQUIRED ACTIONS	6

AUDITOR'S REPORT

SUMMARY We reviewed Culinary Institute of America's (CIA) administration of California Student Aid Commission (Commission) programs for the 2007-08 award year.

The institution's records disclosed the following deficiency:

- Satisfactory Academic Progress Policy not meeting Federal requirements.

BACKGROUND Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grant C

The following information, obtained from the institution and the Commission's database, is provided as background on the institution:

A. Institution

- Type of Organization: Institute of Higher Education, Private
- President: L. Timothy Ryan
- Accrediting Body: Accrediting Commission of Career Schools/Colleges of Technology
- Size of Student Body: 2500

B. Institutional Persons Contacted

- Patricia A. Arurci Director, Financial Aid

C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: None
- Financial Aid Programs: Federal: Family Education Loan Programs; Workstudy; Pell; SEOG; Perkins
State: Cal Grant A, B and C
- Financial Aid Consultant: Campus Partners
P.O. Box 2901
Winston-Salem, NC 27802

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility for Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluating the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluating the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from a sample of 1 student who received a total of Cal Grant C award within the review period. The program review sample was selected to include all students awarded.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY (continued)	The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers.
CONCLUSION	In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commission's grant programs.
VIEWS OF RESPONSIBLE OFFICIALS	The finding was discussed with agency representatives in an exit conference on September 22, 2009. The agency staff concurred with the finding.

September 22, 2009

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

A. GENERAL ELIGIBILITY: **FINDING: Satisfactory Academic Progress Policy Not Meeting Federal Requirements**

A review of the institution's written satisfactory academic progress (SAP) policy revealed that the institution was not in compliance with federal regulations.

DISCUSSION:

To be eligible for Federal Student Aid (FSA) funds, a student must make satisfactory academic progress, which at a minimum must be checked at intervals of one year or half the length of the program, whichever is less. The school must establish and publish its SAP policy, which explains when SAP is checked as well as other details.

To be eligible for aid a student must make satisfactory academic progress, which must be checked at least once per year. To be considered administratively capable, the school must establish and publish an SAP policy and apply it equally to all FSA programs and to all FSA recipients within identifiable categories of students (such as full or part-time, graduate or undergraduate, or students in different academic programs). The policy must be at least as strict as that used for students who do not receive FSA. It may contain whatever standards the school finds acceptable, including those set by a state, accrediting agency, or some other organization, as long as those standards meet the minimum statutory and regulatory requirements. These requirements include both a qualitative measure of the student's progress, such as a cumulative grade point average, and a quantitative measure, such as a maximum time frame for completion.

Quantitative Standards:

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed. To quantify academic progress, schools must set a maximum time frame in which a student is expected to finish a program. As soon as it is clear that a student will not graduate within this period, they become ineligible for aid. For an undergraduate program the time frame cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by the school. For instance, if the published length of an academic program is 69 credits, the maximum period must not exceed 103.5 (69 x 1.5) attempted credit hours.

FINDINGS AND REQUIRED ACTIONS (continued)

Appeal Procedures:

The SAP policy must disclose specific procedures through which a student may appeal a determination that the student is not making satisfactory progress. During probationary periods the school's policy can also include a limited conditional or probationary period during which a student who doesn't meet your school's SAP standards can continue to receive financial aid funds. A school must have a process that contains specific procedures through which a student can reestablish that he or she is maintaining satisfactory progress. They must describe that process in their published information.

While reviewing the institution's SAP policy it was revealed that the school's policy does not include a quantitative component, the specific appeal procedures for the lack of SAP, and the procedures and requirement to re-establish SAP.

In practice, the Culinary Institute of America requires 100% of units completed successful at the of each semester; divides the maximum time frame into increments of semesters; denies aid during probationary periods; and requires the student must meet the school's standards by the end of their probation period (semester) in order to progress to the next level of classes. However, the CIA does not disclose these SAP practices in their policies that are provided to students.

No observation of noncompliance with SAP policy was observed from the student sample reviewed.

REFERENCES:

HEA SECTION 484 (c)

34 CFR 668.16 (e)

34 CFR 668.32 (f)

34 CFR 668.34

2007-08 Student Financial Aid Handbook, Volume 1, Student Eligibility, page 1-10

Cal Grant Manual, Chapter 2

Cal Grant Manual, Chapter 3

Cal Grant Manual, Chapter 6

Cal Grant Manual, Chapter 8

Institutional Participation Agreement, Article IV, A, B

Institutional Satisfactory Academic Progress Policy

REQUIRED ACTION:

The institution **is required** to provide an updated SAP to include a quantitative, appeal procedure and procedure to re-establish SAP. The school is advised to reference the above-cited regulations. Please submit a copy of the revised policy, as well as, the method by which the institution's revised policy will be disseminated to all current and prospective students.

FINDINGS AND REQUIRED ACTIONS (continued)

INSTITUTION RESPONSE:

Students must successfully complete 100% of their course work in order to continue to the next semester. When re-taking a course, a student will be considered on financial aid probation, and therefore will not be eligible to receive financial aid until the student has successfully completed the course and is permitted to start their next semester.

AUDITOR REPLY:

This action is deemed acceptable and no further action is required.