



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

2006-07 Award Year

**Point Loma Nazarene College
Program Review ID#40800126200**

**3900 Lomaland Drive
San Diego, CA 92106-2899**

Program Review Dates: 09/19/2008 - 07/23/2009

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AUDITOR'S REPORT

SUMMARY We reviewed Point Loma Nazarene College administration of California Student Aid Commission (Commission) programs for the 2006-07 award year.

The institution's records disclosed the following deficiencies:

- Unable to Reconstruct Reported Renewal Unmet Need

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 Grants	A and B
Specialized Programs	Assumption Program of Loans for Education (APLE)

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

A. Institution

- Type of Organization: Institution of Higher Education, Private
- President: Dr. Bob Brower
- Accrediting Body: Western Association of Schools & Colleges
- Size of Student Body: 2,383

B. Institutional Persons Contacted

- Pamela Macias: Financial Aid Director

C. Financial Aid

- Date of Prior Commission Program Review: November 2002
- Branches: San Diego Mission Valley, Arcadia and Bakersfield
- Financial Aid Programs: Federal: Family Education Loan Program, Workstudy, Pell, SEOG and Perkins
State: Cal Grant A, B, T and Assumption of Loans for Education
- Financial Aid Consultant: None

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 20 students who received a total of 17 Cal Grant A awards and 3 Cal Grant B awards within the review period. The program review sample was randomly selected from the total population of 484 recipients.
- Reviewing the records from a sample of 10 students who have been accepted into the Assumption Program of Loans for Education within the review period. The program review sample was randomly selected from the total population of 69 recipients.

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 Commissions grant programs.
VIEWS OF RESPONSIBLE OFFICIALS	The review was discussed with agency representatives in an exit conference held on January 26, 2009.

January 26, 2009

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

D. ROSTERS
AND
REPORTS:

FINDING : **Unable to Reconstruct Reported Renewal Recipient's Cal Grant Unmet Need**

The review of 10 renewal Cal Grant student files disclosed two students' reported unmet need could not be reconstructed.

DISCUSSION:

Institutions must calculate and report the renewal recipients' Cal Grant need to the Commission, and retain the supporting documentation within the student's file. Institutions may use the Commission's annually established student expense budgets to confirm the financial need of renewal applicants or may use their own student expense budgets to determine renewal eligibility.

The Commission's renewal unmet need formula is defined as follows:

$$\text{Cost of Attendance} - \text{Estimated Family Contribution} - \text{Pell} = \text{Cal Grant Need}$$

The amount reported must reflect the recipient's total unmet need for the entire year as a full-time student (even if the student is or will be attending less than full-time).

If an institution becomes aware of any change to the renewal recipient's financial need, and the change affects Cal Grant eligibility, the change must be reported to the Commission by completing a Grant Record change Form for Schools (G-21) or through the "Grant Record Changes" screen on Webgrants.

The review revealed that these two students' reported renewal unmet need is as follows:

Student No.	Reported Unmet Need
9	\$ 9,940
16	\$19,962

REFERENCES:

Cal Grant Manual, Chapter 6, November 2003
Cal Grant Manual, Chapter 8, November 2005

REQUIRED ACTION:

Although no liability resulted in this finding, the institution **is required** to submit policies and procedures that will be implemented to ensure that the reported unmet need amount is correctly calculated and reflects the recipient's annual need as a full-time student for the award year.

FINDINGS AND REQUIRED ACTIONS

INSTITUTION RESPONSE:

Student # 9 - The screen shots provided as documentation during the audit included summer POE's in the budget. The student did not receive Cal Grant for the summer as she ended up not attending classes in the summer. The student was awarded correctly.

Student # 16 - The student was awarded correctly.

Action: Since the start of the 09/10 Academic Year, our IT Systems Analyst was able to develop a tool that allows our Cal Grant Specialist the ability to track and compare information between our Financial Aid system that awards aid and records budgets (PowerFAIDS), our student data base system that disburses the aid (CX), and CSAC's Webgrants system. When the tool is run it identifies any differences in information between all three systems. In the 06/07 Academic Year, the tracking tool only checked between our two internal systems to audit award and disbursement information and Webgrants had to be reviewed manually for reporting discrepancies. We are confident that this change will prevent any future discrepancies in reported information.

AUDITOR REPLY:

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