



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

***2006-07 Award Year***

**Westwood College of Technology-Upland  
Program Review ID#80900754803**

**20 West 7th Street  
Upland, CA 91786**

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<b>Program Review Dates:</b>	February 23, 2009 to February 26, 2009
<b>Auditor:</b>	Melanie Wong (916) 526-8207
<b>Report Approved by:</b>	Charles Wood, Manager Program Compliance Office (916) 526-8912

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## AUDITOR'S REPORT

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### SUMMARY

We reviewed Westwood College of Technology-Upland's administration of California Student Aid Commission (Commission) programs for the 2006-07 award year.

The institution's records disclosed the following deficiencies:

- Education Level (EL) Verification Incorrect
- Income Ceiling Exceeded
- Overawards Due to Insufficient Need
- Unmet Need Could Not be Reconstructed
- Disbursement in Excess Due to Enrollment
- Disbursement Less than Eligible Due to Enrollment

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

#### A. Institution

- Type of Organization: Private For Profit Institution
- Campus President: Dr. Khalifa Alshammiry
- Accrediting Body: Accrediting Commission of Career Schools/Colleges of Technology
- Size of Student Body: 1,752

#### B. Institutional Persons Contacted

- Debra Brooks: Regional Director of Financial Aid
- Erin Vargas: Campus Director of Financial Aid

#### C. Financial Aid

- Date of Prior Commission Program Review: April 2006
- Branches: Westwood College (Foothill Blvd.) Upland
- Financial Aid Programs: Federal: Family Education Loan Program, Direct Loan Program, Work Study, Pell, SEOG and Perkins  
State: Cal Grant A, B and C
- Financial Aid Consultant: N/A

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## AUDITOR'S REPORT (continued)

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### 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 40 students who received a total of 13 Cal Grant A awards, 26 Cal Grant B awards and 1 Cal Grant C award within the review period. The program review sample was randomly selected from the total population of 152 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.

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**AUDITOR'S REPORT (continued)**

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<b>OBJECTIVES, SCOPE AND METHODOLOGY (continued)</b>	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.
<b>CONCLUSION</b>	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.
<b>VIEWS OF RESPONSIBLE OFFICIALS</b>	The review was discussed with agency representatives in an exit conference held on February 26, 2009.

February 26, 2009

Charles Wood, Manager  
Program Compliance Office

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## FINDINGS AND REQUIRED ACTIONS

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### B. APPLICANT ELIGIBILITY:

#### **FINDING 1: Education Level (EL) Verification Incorrect**

A review of 22 new student files disclosed 5 instances where the student's EL was incorrect.

#### **DISCUSSION:**

A recipient's EL determines the number of years a student will be eligible to receive Cal Grant benefits. Institutions verify each selected recipient's EL based on the recipient's EL at the time the student receives the initial payment. The verification should not be based on the EL of the recipient at the time the report is received and/or completed.

The EL for the following students were incorrectly verified and reported to the Commission as follows:

ID	Reported EL	Units Completed per Progress Report	Correct EL
6	1	88.5	3
8	2	110	4
15	3	69	2
17	1	75.5	3
33	1	72.5	3

Students No. 6, 8, 17 and 33 received 200% more eligibility than they were eligible to receive. Student No. 15 received 100% less eligibility than eligible to receive.

**Incorrect EL verification is a recurring issue as this finding was also noted in the institution's April 2006 Cal Grant Program Review.**

#### **REFERENCES:**

Cal Grant Manual, October 2005, Chapter 7, page 3  
Cal Grant Manual, November 2005, Chapter 8, page 5

#### **REQUIRED ACTION:**

The institution **must** submit policies and procedures to correctly calculate and report a student's education level to the Commission. Additionally, the institution **is required** to perform a portfolio review of the remaining 2006-07 new Cal Grant recipients that were selected for EL verification (32 recipients) to determine if they were verified correctly. The institution **must** submit a spreadsheet with the following headings: Student's Name, SSN, Cal Grant Program, Number of Units Completed prior to first Cal Grant Disbursement and Correct EL. The Commission will adjust the eligibility for all students listed above and those found in the portfolio review that were incorrectly verified.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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**INSTITUTION RESPONSE:**

We have completed the spreadsheet as requested and it is attached. We have attached our current Policies and Procedures in the attachment section of this response.

**AUDITOR REPLY:**

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

**B. APPLICANT ELIGIBILITY:**

**FINDING 2: Income Ceiling Exceeded**

A review of 22 new Cal Grant recipients revealed one student's income level exceeded the income ceiling for the 2006-07 award year.

**DISCUSSION:**

To be eligible for and receive payment for any Cal Grant award, a student must have family income and assets below the ceilings. The family income for a dependent student is the parent's total income (TI) as calculated by the Federal Processor. TI is the sum of the taxable and untaxed income, minus amounts reported in the income but excluded from the formula (Parents' Adjusted Gross Income or Parents' Total Income Earned from Work + Total from Worksheet A + Total from Worksheet B – Total from Worksheet C). Initial eligibility for a Cal Grant award is based on information from the student's Free Application for Federal Student Aid (FAFSA). Schools are responsible for verifying that students who appear on the Grant Roster meet program requirements, as required by the school's Institutional Participation Agreement, Article IV A.

Income and asset ceilings are set by the Commission in accordance with the provisions of *C.E.C. 69432.7 (k)* and are adjusted annually. The following show the Income Ceilings for the 2006-07 award year:

	Cal Grant A and C	Cal Grant B
<b>Dependent students and Independent students with dependents other than a spouse:</b>		
Family Size:		
Six or more	\$83,600	\$45,900
Five	\$77,500	\$42,500
Four	\$72,300	\$38,000
Three	\$66,500	\$34,200
Two	\$65,000	\$30,300
<b>Independent students</b>		
Single, no dependents	\$26,500	\$26,500
Married, no dependents	\$30,300	\$30,300

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## FINDINGS AND REQUIRED ACTIONS (continued)

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Student No. 22 initially had an income level of \$44,659 for a family of 7, however, after verification the student's family size decreased to 5. The income ceiling for a family size of 5 was \$42,500. The student was awarded as a new Cal Grant B recipient and received \$2,068 for the 2006-07, \$11,259 for the 2007-08 and \$1,877 for the 2008-09 award year. Because the student's income exceeded the ceiling the student was not eligible for any funds.

**Income ceiling exceeded is a recurring issue as this finding was also noted in the institution's April 2006 Cal Grant Program Review.**

### REFERENCES:

California Education Code 69535(a)  
California Education Code 69538  
Institutional Agreement, Article IV.A., IV.B.  
Cal Grant Manual, September 2004, Chapter 3, pages 1, 3  
Cal Grant Manual, February 2005, Chapter 5, page 3  
CSAC Operations Memo, GOM 2004-14, November 2004

### REQUIRED ACTION:

The institution **must** return \$2,068 for the 2006-07 award year, \$11,259 for the 2007-08 award year and \$1,877 for the 2008-09 award year. Furthermore, the institution **must** submit policies and procedures to ensure students meet all eligibility requirements prior to disbursement of funds.

### INSTITUTION RESPONSE:

We concur with this finding. We will return the funds following the procedures outlined in your letter dated April 8, 2009. In addition we will notify you by separate correspondence to include proof of the refunds. Our paper check request process takes approximately thirty days.

We have attached our current Policies and Procedures in the attachment section of this response.

### AUDITOR REPLY:

The institution returned \$2,068 on check #977320 dated July 10, 2009, \$11,259 on check #977321 dated July 10, 2009, the removal of the \$1,877 payment on WebGrants and revised policies and procedures. This action is deemed acceptable and no further action is required.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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B. APPLICANT  
ELIGIBILITY:

**FINDING 3: Overawards Due to Insufficient Need**

A review of 40 student files disclosed four students were overawarded.

**DISCUSSION:**

Financial need is simply defined as the difference between the student's cost of attendance (COA), the family's ability to pay these costs (EFC) and other aid the student receives, known as *resources* under the Campus-based programs or as *estimated financial assistance (EFA)* under the Stafford programs.

For Cal Grant purposes and Campus-based aid (excluding Pell) all resources must be taken into account when awarding. The total of the student's EFC, resources and Campus-based aid cannot exceed the student's cost of attendance. If this occurs, aid must be reduced to prevent an overaward. Unsubsidized Stafford, PLUS, and state and private education loans are not considered to be resources to the extent that they finance (or replace) the EFC. Thus, students may borrow under these programs **up to the amount of the EFC** without affecting eligibility for Campus-based aid or a subsidized Stafford Loan.

Resources include Pell eligibility (even if student doesn't apply for Pell), Direct and FFEL loans, other education loans, veterans benefits, grants, tuition and fee waivers, scholarships, fellowships, assistantships, and net earnings from need-based employment that will be received during the award year.

Student No. 6 appears to be overawarded as follows:

<b>Need Analysis Student No. 6</b>	
COA (4 terms)	\$29,648
Less EFC (10 months)	<\$ 0>
Less Subsidized (Aug 06 & Oct 06)	<\$ 3,632>
Less Subsidized (Jan 07 & Mar 07)	<\$ 3,630>
Less PLUS (Aug 06 & Oct 06)	<\$ 6,466>
Less PLUS (Jan 07 & Mar 07)	<\$ 3,967>
Total Cal Grant Unmet Need	\$11,953
Less Cal Grant Award	<\$12,135>
Overaward	<b>\$ 182</b>

Student No. 8 appears to be overawarded as follows:

<b>Need Analysis Student No. 8</b>	
COA (4 terms)	\$29,808
Less EFC (10 months)	<\$ 0>
Less Pell	<\$ 4,050>
Less Subsidized (Aug 06 & Oct 06)	<\$ 3,594>
Subtotal	\$22,164

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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<b>Need Analysis Student No. 8 (continued)</b>	
Subtotal	\$22,164
Less Unsubsidized (Aug 06 , Oct 06, Jan 07)	<\$ 4,667>
Less SMART Grant	<\$ 4,000>
Total Cal Grant Unmet Need	\$13,497
Less Cal Grant Award	<\$14,073>
Overaward	\$ 576

Student No. 14 appears to be overawarded as follows:

<b>Need Analysis Student No. 14</b>	
COA (4 terms)	\$29,608
Less EFC (10 months)	<\$16,819>
Less Subsidized (Aug 06)	<\$ 1,131>
Less Subsidized (Oct 06,Jan 07, Mar 07)	<\$ 5,445>
Less PLUS (Aug 06)	<\$ 1,536>
Less PLUS (Oct 06,Jan 07, Mar 07)	<\$ 4,036>
Add PLUS to replace EFC	\$ 5,572
Total Cal Grant Unmet Need	\$ 6,213
Less Cal Grant Award	<\$10,900>
Overaward	\$ 4,687

Student No. 36 appears to be overawarded as follows:

<b>Need Analysis Student No. 36</b>	
COA (2 terms)	\$13,637
Less EFC (5 months)	<\$ 1,300>
Less Pell	<\$ 334>
Less Subsidized (Aug 06 & Mar 07)	<\$ 2,983>
Less Unsubsidized (Aug 06 & Mar 07)	<\$ 2,983>
Less Alternative Loan	<\$ 5,073>
Add PLUS to replace EFC	\$ 1,300
Total Cal Grant Unmet Need	\$ 2,264
Less Actual Cal Grant Awarded	<\$ 4,161>
Overaward	\$ 1,897

**REFERENCES:**

Institutional Participation Agreement, Article IV  
 Cal Grant Manual, Chapter 8, November 2005  
 2006-07 Federal Student Aid Handbook, Volume 3, Calculating Awards & Packaging, Chapter 6

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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**REQUIRED ACTION:**

The institution **must** return \$182 for student No. 6; \$576 for student No. 8; \$4,687 for student No. 14 and \$1,897 for student No. 36. Furthermore, the institution **is required** to perform a portfolio review of the remaining 2006-07 Cal Grant recipients (112 recipients) to ensure that they had sufficient need for the Cal Grant awards they received. The institution **must** submit a spreadsheet with the following headings: Student's Name, SSN, Cal Grant Program, Cost of Attendance, EFC, EFA, Aid that replaces EFC, and Cal Grant Awarded. Additionally, the institution **must** submit policies and procedures to ensure all students have sufficient need for Cal grant awards.

**INSTITUTION RESPONSE:**

We have reviewed the four students that were noted by the auditor to be overawarded. Please see below for the results of our review. We have also included back up for these findings in the attachment section of this response.

<b>Need Analysis Student No. 6</b>	
COA (4 terms)	\$29,648
Less EFC (10 months)	<\$ 0>
Less Subsidized (Aug 06 & Oct 06)	<\$ 3,236>
Less Subsidized (Jan 07 & Mar 07)	<\$ 3,630>
Less PLUS (Aug 06 & Oct 06)	<\$ 6,466>
Less PLUS (Jan 07 & Mar 07)	<\$ 3,967>
Total Cal Grant Unmet Need	\$12,349
Less Cal Grant Award	<\$12,135>
Overaward	\$ 0

<b>Need Analysis Student No. 14</b>	
COA (4 terms)	\$29,608
Less EFC (10 months)	<\$16,819>
Less Subsidized (Aug 06)	<\$ 1,131>
Less Subsidized (Oct 06, Jan 07, Mar 07)	<\$ 2,592>
Less PLUS (Aug 06)	<\$ 1,536>
Less PLUS (Oct 06, Jan 07, Mar 07)	<\$ 4,036>
Add PLUS to replace EFC	\$ 5,572
Total Cal Grant Unmet Need	\$ 9,066
Less Cal Grant Award	<\$10,900>
Overaward	\$ 1,834

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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<b>Need Analysis Student No. 36</b>	
COA (2 terms)	\$13,637
Less EFC (5 months)	<\$ 1,300>
Less Pell	<\$ 334>
Less Subsidized (Aug 06 & Mar 07)	<\$ 1,167>
Less Unsubsidized (Aug 06 & Mar 07)	<\$ 2,983>
Less Alternative Loan	<\$ 5,073>
Add PLUS to replace EFC	\$ 1,300
Total Cal Grant Unmet Need	\$ 4,080
Less Actual Cal Grant Awarded	<\$ 4,161>
Overaward	\$ 81

Student No. 8 has already been adjusted and the ledger card is enclosed in the attachment section.

We will make the necessary refunds on the overawards once you have approved the changes that have been found and send you proof of the refunds upon completion.

We have completed the portfolio review and the spreadsheet is in the attachment section of this response. There are some overawards and we will request that the refunds be made and send you proof of the refunds upon completion.

We have attached our current Policies and Procedures in the attachment section of this response.

**AUDITOR REPLY:**

For student #14 the institution returned \$19.33 on July 16, 2009 and \$1,814.67 on July 30, 2009 to reduce the student's Federal Stafford Subsidized Loan balance.

For student #36 the institution returned \$81 on June 29, 2009 to reduce the student's Federal Stafford Unsubsidized Loan.

The portfolio review and the spreadsheet documented some overawards and the funds were returned and the students Federal Stafford loan balances were reduced.

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

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## FINDINGS AND REQUIRED ACTIONS (continued)

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B. APPLICANT  
ELIGIBILITY:

**FINDING 4: Unmet Need Could Not Be Reconstructed**

A review of 18 renewal Cal Grant student files disclosed two students' unmet need could not be reconstructed.

**DISCUSSION:**

For renewal students, schools must calculate a student's annual unmet need as a full-time student and report that figure to the Commission, retaining the supporting documentation within the student's record. Schools may use the Commission's annually established student expense budget or the school may adopt its own student budget for determining renewal financial eligibility provided the budgets do not exceed those used for campus-administered aid. The school must report the resulting net unmet need amount on the Grant Roster or the Commission G-21 letter. Net unmet need is defined as a student's Cost of Attendance (COA) minus the Expected Family Contribution (EFC) and Pell grant.

The institution reported a renewal unmet need of \$31,860 for student No. 12. Documents in the student's file shows the unmet need should have been reported as \$31,204 (\$31,204 COA - \$0 EFC - \$0 Pell). For student No. 13, the institution reported a renewal unmet need of \$29,566. The correct unmet need should have been reported as \$18,636 (\$21,720 COA - \$3,084 EFC - \$0 Pell).

**Unmet need could not be recalculated is a recurring issue as this finding was also noted in the institution's April 2006 Cal Grant Program Review.**

**REFERENCES:**

Higher Education Act, Part F – Need Analysis  
Cal Grant Manual, November 2003, Chapter 6, pages 3-4

**REQUIRED ACTION:**

The institution **must** submit the procedures to ensure reported unmet need reflects recipient's annual need as a full-time student for the award year.

**INSTITUTION RESPONSE:**

We have attached our procedure regarding Unmet Need in the attachment section of this response.

**AUDITOR REPLY:**

This action is deemed acceptable and no further action is required

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## FINDINGS AND REQUIRED ACTIONS (continued)

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C. FUND  
DISBURSEMENT  
AND REFUNDS:

**FINDING 1: Disbursement in Excess Due to Enrollment**

A review of 40 student files disclosed one student received disbursements in excess of eligible amounts due to enrollment status.

**DISCUSSION:**

Institutions are required to verify student eligibility at the time funds are processed to the recipient or the recipient's account. The institution must verify the enrollment status for each recipient listed on the grant roster in accordance with the established institutional policies.

The institution's enrollment status policy is as follows:

Full-time:	12 units or more
Three-quarter-time:	9-11.5 units
Half-time:	6-8.5 units

Student No. 3 was reported as full time for Winter 2006 and received \$517. According to the Progress Report, the student was enrolled in and completed only 6 units which is considered half-time. The student was only eligible for a half time Cal B Access award of \$259 and the ineligible amount of \$258 must be returned to the Commission.

**REFERENCES:**

Institutional Participation Agreement, Article IV.C.3 & Article IV.C.4 eff. 2/2003  
Cal Grant Manual, Chapter 8, November 2005, page 3

**REQUIRED ACTION:**

The institution **must** return the ineligible funds of \$258 for student No. 3 and **must** submit the policies and procedures that ensure enrollment status verification prior to fund disbursement.

**INSTITUTION RESPONSE:**

We concur with this finding. We will return the funds following the procedures outlined in your letter dated April 8, 2009. In addition we will notify you by separate correspondence to include proof of the refund. Our paper check request process takes approximately thirty days.

We have attached our current Policies and Procedures in the attachment section of this response.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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**AUDITOR REPLY:**

The institution returned \$258 on check # 977322 dated July 10, 2009 and revised policies and procedures. This action is deemed acceptable and no further action is required.

**C. FUND  
DISBURSEMENT  
AND REFUNDS:****FINDING 2: Disbursement Less than Eligible Due to Enrollment**

A review of 40 student files disclosed one case where a student was paid less than what they were eligible to receive due to enrollment status.

**DISCUSSION:**

A recipient's attendance status must reflect the school's definition of full-time, three-quarter time, or half-time enrollment. The attendance status must be determined according to the recipient's attendance at the time funds are paid to the recipient or credited to the recipient's account.

The institution reported and disbursed a half-time Cal B award for student No. 19 in the amount of \$1,645 (\$258 Access and \$1,387 Tuition). According to the Progress Report, the student was enrolled in and completed 10.5 units which is considered three-quarter time. The student was eligible to receive \$2,469 (\$517 Access and \$2,774 Tuition). Thus, student No. 19 was not afforded the maximum Cal Grant award by \$824 (\$2,469-\$1,645).

**REFERENCES:**

Institutional Participation Agreement, Article IV.C.3 & Article IV.C.4 eff. 2/2003  
Cal Grant Manual, Chapter 8, November 2005, page 3

**REQUIRED ACTION:**

No liability resulted from the above finding. The institution **must** provide procedures and quality control measures designed to ensure that students receive the maximum amount of Cal Grant funds.

**INSTITUTION RESPONSE:**

We have attached our current Policies and Procedures in the attachment section of this response.

**AUDITOR REPLY:**

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