

CALIFORNIA STUDENT AID COMMISSION

LEGAL AND AUDIT SERVICES DIVISION



April 26, 2017

Dr. Wolde-ab Isaac
President
Riverside City College
4800 Magnolia Avenue
Riverside, CA 92506

RE: Program Compliance Review ID#81600127000

Dear Dr. Isaac:

The following is the final report of our program compliance review of your institution's participation in the California Student Aid Commission's (Commission) grant programs.

Thank you for the courtesy and cooperation extended to the Commission staff during the review. Your continued effort and consideration toward the Commission's programs will help produce an efficient and beneficial student financial assistance program.

If I, or any member of my staff, can be of further assistance to you, please feel free to call us.

Sincerely,



Keith Yamanaka, Chief Deputy Director

Enclosure

cc: Elizabeth Hilton, Financial Aid Director
Nicole Lynch, Financial Aid Analyst
Program Review File



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

2014-15 Award Year

**Riverside City College
Program Review ID#81600127000**

**4800 Magnolia Avenue
Riverside, CA 92506-1299**

Program Review Dates:

August 15 – 18, 2016

Auditor:

Nati Bugarin

Report Approved by:

Keith Yamanaka, Chief Deputy Director

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AUDITOR'S REPORT

SUMMARY We reviewed Riverside City College's administration of California Student Aid Commission (Commission) programs for the 2014-15 award year.

The Institution's records disclosed the following deficiency:

- Income ceiling level exceeded

BACKGROUND The Commission performs institution compliance reviews to ensure program integrity and institution compliance with applicable laws, policies, contracts and institutional participation agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants

B and 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: Public Institution of Higher Education
- President: Dr. Wolde-ab Isaac
- Accrediting Body: Western Association of Schools & Colleges

B. Institutional Persons Contacted

- Elizabeth Hilton: Director of Financial Aid
- Nicole Lynch: Financial Aid Analyst
- Melissa Elwood: District Controller

C. Financial Aid

- Date of Prior Commission Program Review: November 2001
- Branches: None
- Financial Aid Programs: Federal: Direct Loan Program, SEOG, Pell, and Work-Study
State: Cal Grants B and C
- Financial Aid Consultant: Higher One Disbursement Services/
BankMobile
115 Munson Street
New Haven, CT 06511

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 Commission programs and complied with applicable laws, policies, contracts and institutional participation 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. File Maintenance and Records Retention
- E. 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 35 Cal Grant B awards and 5 Cal Grant C awards within the review period. The program review sample was randomly selected from the total population of 1,488 recipients.
- Reviewing the records of 674 unpaid Cal Grant recipients who appeared on the Institution's roster but were not paid for the award year. The review sample was selected to include all unpaid students.

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 Commission grant programs.

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.

AUDITOR'S REPORT (continued)

CONCLUSION In conclusion, this report records the findings from our review and identifies the required actions necessary to improve controls and ensure the adequate administration of the Commission's grant programs. The matters raised in this report are only those which have come to our attention during the course of the compliance review and do not necessarily represent a comprehensive record of all the matters.

August 18, 2016

Keith Yamanaka, Chief Deputy Director

FINDINGS AND REQUIRED ACTIONS

APPLICANT
ELIGIBILITY:

FINDING 1: Income ceiling level exceeded

A review of the files for 40 Cal Grant recipients revealed 1 case in which the student's income exceeded the Commission's income ceiling levels for the 2014-15 award year.

DISCUSSION:

Initial and renewal Cal Grant applicants with financial need whose income does not exceed the income and asset ceiling levels and who meet other selection criteria are eligible for a Cal Grant award. All Cal Grant applicants must submit a completed official financial aid application known as the Free Application for Federal Student Aid (FAFSA) or the California Dream Act Application (CADA) annually to determine eligibility. For the FAFSA, the Commission electronically draws down applicant information from the Central Processing System (CPS) contractor selected by the U.S. Department of Education. The CPS also provides institutions with the Institutional Student Information Record (ISIR) that contains all of the information provided on the FAFSA.

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. Cal Grant income and asset ceilings are set by the Commission in accordance with the provisions of California Education Code 69432.7(k) and are adjusted annually.

Prior to disbursing any Cal Grant funds, a qualifying institution is obligated, under the terms of its Institutional Participation Agreement with the Commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

The following table indicates the income ceiling levels for new and renewal Cal Grant recipients who are either dependent students or independent students with dependents other than a spouse, for the 2014-15 award year:

INCOME LIMITS		
Family Size:	Cal Grant A and C	Cal Grant B
Six or more	\$101,000	\$55,500
Five	\$ 93,700	\$51,400
Four	\$ 87,400	\$45,900
Three	\$ 80,400	\$41,300
Two	\$ 78,500	\$36,700

FINDINGS AND REQUIRED ACTIONS (continued)

A review of the file of student 18 revealed that the dependent student's initial ISIR indicated a total income (TI) amount of \$43,330 with a family size of 4. However, after the verification process, the TI increased to \$55,874 which exceeds the income ceiling of \$45,900 for a family size of 4 as indicated in the table above.

Commission and Institutional records revealed that the student received Cal Grant funds in the amount of \$1,648 for the 2014-15 award year, which are deemed ineligible and must be returned to the Commission.

REFERENCES:

California Education Code, section 69432.7(k)
California Education Code, section 69432.9
Institutional Participation Agreement, Article IV.B
Cal Grant Handbook, Chapter 5, page 34-36, 2/11/2016 - Version 2.1
Cal Grant Handbook, Chapter 9, page 71-72, 2/11/2016 – Version 2.1
CSAC Operations Memo, GOM 2013-31, November 18, 2013

REQUIRED ACTIONS:

The Institution must return the ineligible funds in the amount of **\$1,648** on behalf of student 18 as directed in the general payment instructions located at the conclusion of this report.

Additionally, the Institution must submit policies and procedures that will be implemented to ensure that Cal Grant recipients meet all program eligibility requirements prior to the disbursement of Cal Grant funds.

COMMISSION REPLY:

The policies and procedures submitted by the Institution are deemed acceptable. Also, Riverside City College remitted the ineligible amount of \$1,648 via check number 14-591599, dated March 10, 2017. Thus, no further action is required for this finding.