

# CALIFORNIA STUDENT AID COMMISSION

PROGRAM ADMINISTRATION AND SERVICES DIVISION

February 12, 2018



Jean Sherlock  
President  
New York Film Academy  
3300 West Riverside Drive  
Burbank, CA 91505

RE: Program Compliance Review ID#91704118800

Dear Mr. Sherlock:

This letter is in reference to the Program Compliance Review of your institution conducted in August 2017. All required actions were addressed satisfactorily prior to the issuance of a draft report. A copy of the final report is attached and the institution may now consider the program review closed, with no further action required.

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,

A handwritten signature in blue ink that reads 'Catalina Mistler'.

Catalina Mistler, Deputy Director  
Program Administration and Services Division

Enclosure

- c. Lissa Wayne, Director of Financial Aid  
Program Review File



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

***2015-16 Award Year***

**New York Film Academy  
Program Review ID#91704118800**

**3300 West Riverside Drive  
Burbank, CA 91505**

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**Program Review Dates:**

August 2017

**Auditor:**

Melanie Wong

**Report Approved by:**

Catalina Mister, Deputy Director  
Program Administration and Services Division

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## AUDITOR'S REPORT

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**SUMMARY** We reviewed New York Film Academy's administration of California Student Aid Commission (Commission) programs for the 2015-16 award year.

The institution's records disclosed the following deficiency:

- No policy regarding receipt options for Cal Grant B Access and Cal Grant C Books & Supplies awards

**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 A, 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: For Profit Institution of Higher Education
- President: Jean Sherlock
- Accrediting Body: National Association of Schools of Art and Design

B. Institutional Persons Contacted

- Lissa Wayne: Director of Financial Aid

C. Financial Aid

- Date of Prior Commission Program Review: N/A
- Branches: None
- Financial Aid Programs: Federal: Direct Loan Program, Pell, SEOG and Perkins  
State: Cal Grants 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 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 one student who received a Cal Grant B 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.

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## AUDITOR'S REPORT (continued)

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OBJECTIVES,  
SCOPE AND  
METHODOLOGY  
(continued)

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.

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.

VIEWS OF  
RESPONSIBLE  
OFFICIALS

The finding was discussed with institution representatives in an exit conference on and institution staff concurred with the finding.

We appreciate the cooperation and assistance of the management and staff during the course of this review.

Catalina Mistler, Deputy Director  
Program Administration and Services Division

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## FINDING AND REQUIRED ACTION

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FUND  
DISBURSEMENT  
AND REFUNDS:

**FINDING:** **No policy regarding receipt options for Cal Grant B Access and Cal Grant C Books & Supplies awards**

A review of the institution's policies and procedures and the student file disclosed that the institution does not have a written policy addressing the receipt of Cal Grant B and C awards.

**DISCUSSION:**

According to the Institutional Participation Agreement (2012-2016), institutions must establish and publish a policy that informs Cal Grant B and Cal Grant C recipients of their option to either apply the "Access" or "Books and Supplies" portion to outstanding balances on the student's account or request personal receipt of the funds prior to disbursement. The 2017-21 Institutional Participation Agreement further requires the policy to ensure students understand that they are responsible for any remaining balances on their account if they choose to receive the funds personally and that they have the ability to rescind their receipt option at any time.

A review of student 1's file revealed that the student was awarded full-time Cal Grant B Access awards of \$828 for Fall 2015 and Winter 2015. The institution provided a disbursement authorization signed by the student, however, the authorization did not properly explain Cal Grant Access and Books & Supplies award receipt options.

The institution has provided a Cal Grant Authorization Form that fully addresses the receipt options for Cal Grant B and Cal Grant C recipients that will be obtained for all recipients.

**REFERENCES:**

Institutional Participation Agreement (2012-16), Article IV.C.3  
Institutional Participation Agreement (2017-21), Article IV.C.2  
Cal Grant Handbook, Chapter 13, page 108, 2/11/2016 Version 2.1

**REQUIRED ACTION:**

The institution's Cal Grant Authorization Form is deemed acceptable. No further action is required.