



# CALIFORNIA STUDENT AID COMMISSION

## PROGRAM ADMINISTRATION & SERVICES DIVISION

March 23, 2018

Ed Beauchamp  
Chief Executive Officer  
Platt College  
1000 S. Fremont Avenue, A10  
South Alhambra, CA 91803

RE: Program Compliance Review ID#81703062702 (Riverside Campus)

Dear Mr. Beauchamp:

This letter is in reference to the response to the Cal Grant Program Compliance Review report and the return of liabilities. All required actions to the findings have been addressed satisfactorily. The institution may now consider the program review for the 2015-16 award year closed, with no further action required.

Thank you for the courtesy and cooperation extended to the California Student Aid Commission (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.

Sincerely,

Catalina G. Mistler, Deputy Director  
Program Administration and Services Division

Enclosure

- c. Mike Nielsen, Campus President  
Evelyn Mancuso, Director of Student Financial Services  
Arica Hardiman, Director of Financial Aid  
Program Review File



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

***2015-16 Award Year***

**Platt College - Riverside  
Program Review ID#81703062702**

**6465 Sycamore Canyon Blvd., Suite 10  
Riverside, CA 92507**

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**Program Review Dates:** March 20, 2017 – March 23, 2017

**Auditor:** Melanie Wong

**Report Approved by:** Catalina Mistler, Deputy Director  
Program Administration and Services Division

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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 27 students who received a total of 7 Cal Grant B awards and 20 Cal Grant C awards 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 findings were discussed with Institution representatives in an exit conference on March 23, 2017. The Institution staff concurred with all findings.

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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## FINDINGS AND REQUIRED ACTIONS

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APPLICANT  
ELIGIBILITY:

**FINDING 1: Education level (EL) verified incorrectly**

A review of five students selected for EL verification revealed two cases in which the EL was verified incorrectly.

**DISCUSSION:**

A new Cal Grant recipient who continues to meet all program eligibility requirements and who demonstrates financial need may have his or her Cal Grant award renewed up to the maximum of the equivalent of four years of full-time attendance. Students in an institutionally-prescribed five year undergraduate program may be eligible to receive an additional year of Cal Grant program eligibility. The total number of years of Cal Grant Program eligibility is based upon the student's EL in his or her course of study at the time of the initial Cal Grant award.

To ensure that new Cal Grant A and B recipients receive the correct amount of initial program eligibility, institutions must verify that Commission records reflect the recipient's correct EL for the term in which the first Cal Grant payment is made. To ensure that the student's program eligibility is correct, the Commission recommends that schools verify the EL for new recipients prior to making the Fall term payment.

The education level policy at Platt College is as follows:

Grade Level	Medical Assisting Program	Veterinary Technician Program	All Other Programs
1	0-48	0-61	0-35
2	49-96	62-108	36-71
3		109+	72-107
4			108+

A review of the academic transcripts for students 7 and 12 (Diagnostic Medical Sonography Program) showed that the Institution incorrectly reported a lower education level which increased the students' initial amount of Cal Grant eligibility by 100% as illustrated:

Student No.	Education Level Reported	Units Completed	Correct Education Level
7	3	186.5	4
12	3	130	4

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## FINDINGS AND REQUIRED ACTIONS (continued)

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An institution's maintenance of accurate records and reporting of correct information is a fundamental aspect of Cal Grant Program administration. Failing to confirm and report a student's correct EL results in the student's Cal Grant Program eligibility being calculated in a manner that is inconsistent with statutory requirements. An institution that fails to comply with applicable laws, policies, contracts and its Institutional Participation Agreement may lose its eligibility to participate in the Cal Grant Program for failing to meet standards of administrative capability.

### REFERENCES:

California Education Code section 69433.6  
Institutional Participation Agreement, Article IV.B.  
Cal Grant Manual, Chapter 7, pages 3-4, October 2005  
Cal Grant Manual, Chapter 8, page 5, November 2005  
2015 Cal Grant Handbook, Chapter 10, page 81, 11/19/2015  
2015 Cal Grant Handbook, Chapter 15, page 141, 11/19/2015

### REQUIRED ACTION:

The Institution is required to submit policies and procedures that will be implemented to ensure that education levels are correctly determined and reported to the Commission prior to the initial Cal Grant payment.

### INSTITUTION RESPONSE:

"The institution concurs with this finding. Attached are the policies and procedures that have been implemented to ensure that education levels are correctly determined and reported to the Commission prior to the initial Cal Grant payment. Education level reporting is addressed in bullet 7 of the Cal Grant Student Packaging Policy and Procedure."

### COMMISSION REPLY:

The Institution's response and submitted policies and procedures are deemed acceptable. No further action is required.

FUND  
DISBURSEMENT  
AND REFUNDS:

### FINDING 2: Tuition charges less than Cal Grant tuition/fee award

A review of 25 student files disclosed one case where the Cal Grant tuition/fee award exceeded the net tuition/fee charges.

### DISCUSSION:

The California Education Code indicates that Cal Grant tuition awards shall be used only for tuition and student fees in a for-credit instructional program of not less than two academic years (Cal Grant A) and one academic year (Cal Grant B), or for occupational or technical training in a course of not less than four months (Cal Grant C). Additionally, tuition and fee awards are to be disbursed in an amount not to

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## FINDINGS AND REQUIRED ACTIONS (continued)

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exceed the maximized value of the tuition award for the term, or the maximum tuition and fee charged, whichever is less.

If the student is receiving benefits from another financial aid source that is also restricted to tuition and fees, the Cal Grant tuition/fee payment amount must be adjusted or the other tuition-paying award can be returned so as not to exceed, in total, the amount of net tuition/fees charged. In the event of other tuition awards, attempts should be made to preserve Cal Grant eligibility.

According to the U.S. Department of Veterans Affairs' (VA) School Certifying Official Handbook (Revision 5.0) institutions must submit enrollment certification and report the **net in-state charges after the application of any waiver, scholarship, aid, or assistance provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees for each applicable student. "Tuition and fees" does not include the cost of supplies or books that the student is required to purchase at his or her own expense.**

Student 8's Ledger Card shows the tuition charges, book charges, VA tuition and fees benefits that included book charges and Cal Grant T/F awards as follows:

Term	Tuition/Fees Charged	Books	VA Benefits	Cal Grant T/F
8/31/15 (Fall)	\$ 5,699	\$ 338	\$ 6,037	\$ 821
11/10/15 (Winter)	5,699	338	6,037	821
1/28/16 (Spring)	5,699	338	6,037	821
Totals	\$17,097	\$1,014	\$18,111	\$2,463

The student's actual net In-State Charges should have been reported to VA as follows:

Tuition Charges	\$17,097
Less Cal Grant T/F	<u>&lt;2,463&gt;</u>
Net In-State Charges	14,634

Because the Institution incorrectly reported the Net In-State Charges by including Book charges and not deducting the Cal Grant tuition/fee award amounts, the student had a tuition credit of \$338 for Fall, Winter and Spring (\$5,699-\$6,037 for each term) and was not eligible to receive the \$2,463 in Cal Grant tuition/fee awards.

### REFERENCES:

California Education Code 69434(a)  
California Education Code 69435(a)(1)(2)  
2012-2016 Institutional Participation Agreement, Article IV.C.1  
2015 Cal Grant Handbook, Chapter 13, page 113, 2/11/2016  
U.S. Department of Veterans Affairs' School Certifying Official Handbook,  
(Revision 5.0), pages 31 and 130

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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**REQUIRED ACTION:**

The Institution must return \$3,477 (\$18,111 VA received less \$14,634 correct Net In-State Charges) to Veteran's Affairs for student 8 to be eligible for the Cal Grant tuition/fee awards disbursed for the 2015-16 award year or the ineligible funds of \$2,463 will be required to be returned to the Commission.

Furthermore, the Institution must provide written procedures and internal controls that will be put into place to ensure that the Cal Grant tuition/fee awards do not exceed the student's actual tuition/fee charges less all aid or assistance that is designated for the sole purpose of reducing a student's tuition and fee costs.

**INSTITUTION RESPONSE:**

"The institution concurs with this finding. The institution chooses to return the ineligible funds to the Commission. Attached are the policies and procedures that have been implemented to ensure that the Cal Grant tuition/fee awards do not exceed the student's actual tuition/fee charges less all aid or assistance that is designated for the sole purpose of reducing a student's tuition and fee costs. This is addressed in bullet 6 of the Cal Grant Student Packaging Policy and Procedure."

**COMMISSION REPLY:**

The Institution's response and submitted policies and procedures are deemed acceptable. Platt College Riverside must remit the ineligible amount of **\$2,463** for student 8 as directed in the invoice instructions provided by the Commission.

FUND  
DISBURSEMENT  
AND REFUNDS:

**FINDING 3: Incorrect disbursements due to enrollment status**

A review of 27 students revealed two instances in which students received awards in excess due to enrollment status.

**DISCUSSION:**

Institutions are required to verify eligibility at the time that Cal Grant funds are disbursed to the student or credited to the student's account. The enrollment status must be determined according to the student's attendance at the time Cal Grant funds are paid to the student. Enrollment status directly correlates to the amount of the Cal Grant award and the percentage of eligibility used. Furthermore, Cal Grant disbursements **made after a term has completed must be based on completed units.**

The Institution's enrollment status policy is as follows:

Full-time	12 units or more
Three-quarter-time	9-11 units
Half-time	6-8 units

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## FINDINGS AND REQUIRED ACTIONS (continued)

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For student 11, the Institution reported a three-quarter time Cal C payment of \$753 for the Fall term (8/31/15 to 11/19/15) on 9/9/16 per WebGrants. The student withdrew from the program on 9/28/15 and completed 7.5 units according to the transcripts (half-time). Because the Institution reported payment after the term had ended, the student was only eligible for a half-time award of \$502 and the \$251 ineligible (\$753-\$502) must be returned to the Commission.

The Institution reported a three-quarter time Cal B payment of \$414 for the Spring term (4/7/16 to 6/16/16) on 8/29/16 per WebGrants for student 17. The student withdrew from the program on 5/9/16 and completed 0 units according to the transcripts (less than half-time). Because the Institution reported payment after the term had ended, the student was not eligible for the \$414 Spring payment and the ineligible funds must be returned to the Commission.

### REFERENCES:

California Education Code section 69432.7(f)  
Institutional Participation Agreement, Article IV.B  
Institutional Participation Agreement, Article IV.C.1.b  
Cal Grant Manual, Charter 8, November 2005  
Cal Grant Manual, Chapter 9, September 2003  
2015 Cal Grant Handbook, Chapter 10, page 80, 2/11/2016

### REQUIRED ACTION:

The Institution will be required to return the ineligible funds of **\$251** for student 11 and **\$414** for student 17. Additionally, the Institution must provide written procedures and internal controls that will be put into place to ensure that enrollment status is verified prior to Cal Grant fund disbursement.

### INSTITUTION RESPONSE:

“The institution concurs with this finding. Attached are the policies and procedures that have been implemented to ensure that the enrollment status is verified prior to Cal Grant fund disbursement. This is addressed in bullet 2 of the Cal Grant Student Payment Policy and Procedure.”

### COMMISSION REPLY:

The Institution’s response and submitted policies and procedures are deemed acceptable. The Institution must return the ineligible amount of **\$251** for student 11 and **\$414** for student 17 as directed in the invoice instructions provided by the Commission.