

CALIFORNIA STUDENT AID COMMISSION

LEGAL AND AUDIT SERVICES DIVISION

June 23, 2017



Dr. Rosa Carlson
President
Porterville College
100 E College Avenue
Porterville, CA 93257

RE: Program Compliance Review ID# 81600126800

Dear Dr. Carlson:

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,

A handwritten signature in blue ink, appearing to read "Keith Yamanaka".

Keith Yamanaka, Chief Deputy Director
Program Compliance Office

Enclosure

- c. Erin Cruz, Director of Enrollment Services
Catalina Mistler, Deputy Director, Program Administration & Services Division
Program Review File



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

2014-15 Award Year

**Porterville College
Program Review ID#81600126800**

**100 E. College Avenue
Porterville, CA 93257**

Program Review Dates:

August 15 – 18, 2016

Auditor:

Del Pyles

Report Approved by:

Keith Yamanaka, Chief Deputy Director

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AUDITOR'S REPORT

SUMMARY

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

The Institution's records disclosed the following deficiency:

- Eligible awardees not paid

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, Non-profit Institution
- President: Dr. Rosa Carlson
- Accrediting Body: Western Association of Schools & Colleges

B. Institutional Persons Contacted

- Tiffany Haynes: Assistant Director, Financial Aid
- Erin Cruz: Director, Enrollment Services

C. Financial Aid

- Date of Prior Commission Program Review: February 2002
- Branches: None
- Financial Aid Programs: Federal: Pell, SEOG, and Work-Study
State: Cal Grants B and C
- 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 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 39 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 665 recipients.
- Reviewing the records of unpaid Cal Grant recipients from a sample of 12 students who appeared on the Institution's roster but were not paid for the award year. The program 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.

AUDITOR'S REPORT (continued)

**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 August 18, 2016. The institution staff concurred with all findings.

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

Keith Yamanaka, Chief Deputy Director
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

**GENERAL
ELIGIBILITY:**

FINDING 1: Eligible Awardees not paid or paid incorrectly

A review of student files disclosed nine cases where the students were eligible for Cal Grant funds and did not receive payments.

DISCUSSION:

The Commission provides reports such as the Unable to Determine Report, the Automatic Leave Report and the Unclaimed Awards Report to assist the institutions in determining which students have potential Cal Grant Eligibility.

Furthermore, 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's enrollment status policy is as follows:

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

Student 3 was initially enrolled full-time in 13 units for the Fall 2014 term. The student withdrew from 3 units on September 10, 2014 (three-quarter time). The student did not appear on the Institution's roster until March 9, 2015 after the completion of the Fall term. At that time, the Institution reported the student was not making Satisfactory Academic Progress (SAP) for the Fall 2014 term and reported \$0 in payments. According to SAP documentation, the student was placed on Warning for the Spring 2015 term and was eligible for a three-quarter time award of \$618 for Fall 2014 based on 10 completed units (when making payment for a term that has ended, the attendance status must be based on number of successfully completed units for the term).

Student 39 was enrolled in 14 units during the Fall 2014 term and was eligible for a full-time Cal Grant B award of \$824. The Institution, however, did not report a Fall 2014 payment because CSU Northridge had previously reported a Leave of Absence for the student for the same term. The student, then reported a school change to Porterville on January 13, 2015 for the Spring 2015 term and the Institution reported a full-time Spring 2015 award, but did not report a full-time award for the Fall 2014 term.

FINDINGS AND REQUIRED ACTIONS (continued)

After reviewing the 2014-15 unpaid student sample list, the Institution determined students U2, U4, U5, U7, U9, U11 and U12 were eligible for the following Cal Grant B awards:

Student No.	Term	No. of Units Attempted	Enrollment Status	Eligible Cal Grant Award
U2	Fall	13	Full-time	\$824.00
U2	Spring	12	Full-time	824.00
U4	Fall	12	Full-time	824.00
U4	Spring	11	Three-quarter time	618.00
U5	Fall	16	Full-time	824.00
U7	Spring	15	Full-time	824.00
U9	Fall	15.50	Full-time	824.00
U11	Fall	13	Full-time	824.00
U12	Fall	14.50	Full-time	824.00

Institution staff stated that the students did not appear on their Cal Grant rosters. However, the Commission produces weekly rosters for institutions to download and review and further research identified each of the un-awarded students appeared on various Cal Grant rosters.

REFERENCES:

California Education Code 69433
Cal Grant Manual, Chapter 7, October 2005
Cal Grant Handbook, Chapter 10, 2/11/2016 - Version 2.1
Cal Grant Handbook, Chapter 13, 2/11/2016 - Version 2.1
Cal Grant Handbook, Chapter 15, 2/11/2016 - Version 2.1

REQUIRED ACTIONS:

The Institution is required to submit policies and procedures to ensure all potential Cal Grant recipients are awarded.

In addition, the Institution must review the Unpaid Student Sample List for the 2015-16 academic year that was previously provided. The Institution must provide a spreadsheet that includes the following data elements as well as academic transcripts and disbursement verification for each student:

1. Name
2. Social Security Number
3. Cal Grant program (B or C)
4. Term (Fall, Spring, Summer)
5. Number of units attempted

FINDINGS AND REQUIRED ACTIONS (continued)

INSTITUTION RESPONSE:

"Cal Grant students will continue to be listed on the CAL Grant Roster to CSAC, with an explanation as to why they were not eligible to receive the grant. New Tracking Codes from CSAC will indicate if student have incomplete files, are less than half-time, are in ineligible programs, etc."

PORTFOLIO REVIEW RESULTS:

The portfolio review did not disclosed any further unpaid Cal Grant students.

COMMISSION REPLY:

The Institution submitted policy and procedures that are deemed acceptable. No further action is required.