

CALIFORNIA STUDENT AID COMMISSION

PROGRAM ADMINISTRATION AND SERVICES DIVISION

January 11, 2018



Jeff A. Cummings
Superintendent/President
Copper Mountain College
6162 Rotary Way
Joshua Tree, CA 92252

RE: Program Compliance Review ID#81603542400

Dear Mr. Cummings:

The following is the final report of our program compliance review of your institution's participation in the California Student Aid Commission's (Commission) Cal Grant programs. In addition, enclosed is an invoice reflecting the ineligible funds due to the Commission.

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: Invoice

c. Program Review File
Brian Heinemann, Associate Dean of Student Services & Financial Aid

INVOICE INFORMATION

DATE: January 11, 2018
NAME OF INSTITUTION: Copper Mountain College
INSTITUTION #: 03542400
REVIEW #: 81603542400
ADDRESS: Ilona Mercier
Fiscal Services Specialist
Copper Mountain College
6162 Rotary Way
Joshua Tree, CA 92252

AMOUNT OF INVOICE: \$206.00

INVOICE NO: 81603542400
FI\$Cal CustID: 00100169

Description	Award Year	Amount
Incorrect disbursement due to enrollment status	2014-15	\$206.00
TOTAL		\$206.00

Your payment is due within fifteen (15) days from the receipt of Final Report. Refer to Article IV(D)(3)(e). Should you dispute the amount of the outstanding balance; the Commission will investigate the nature of the dispute only after the invoice is paid in full. Failure to remit the total amount due may result in the withholding of future Cal Grant disbursements and program termination. Refer to Article IV(D)(3)(j).

When making your payment, include the enclosed invoice with your check. If you have any questions, please contact Ana Marquez at 916-464-8035.

Please remit to:
CA Student Aid Commission
Attn: Accounting
PO Box 419026
Rancho Cordova, CA 995741-9026

c: Program Review File



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

2014-15 Award Year

**Copper Mountain College
Program Review ID#81603542400**

**6162 Rotary Way
Joshua Tree, CA 92252**

Program Review Dates:

October 3, 2016 – October 6, 2016

Auditor:

Paramjeet Singh
Ana Marquez

Report Approved by:

Catalina Mistler, Deputy Director
Program Administration and Services Division

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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 36 Cal Grant B awards and 4 Cal Grant C awards within the review period. The program review sample was randomly selected from the total population of 164 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.

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 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 October 6, 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.

Catalina Mistler, Deputy Director
Program Administration and Services Division

FINDINGS AND REQUIRED ACTIONS

**Fund Disbursement
and Refunds:**

FINDING 1: Incorrect disbursement due to enrollment status

A review of 40 student files disclosed 1 case where the student received a disbursement in excess of their eligible amount 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.

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

For the fall 2014 quarter, student 3 received a full time Cal Grant B payment of \$824. However, according to academic records the student attempted only 10 units and was eligible for a three-quarter time payment of \$618. Therefore, the difference of \$206 (\$824-\$618) is ineligible and will need to 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, Section 8.1, November 2005
Cal Grant Manual, Chapter 9, Section 9.4, September 2003
2016 Cal Grant Handbook, Chapter 13, page 106-123, 2/11/2016

REQUIRED ACTIONS:

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.

The institution will be required to return ineligible funds of **\$206** for student 3 upon invoicing from the Commission.

FINDINGS AND REQUIRED ACTIONS (continued)

INSTITUTION RESPONSE:

A breakdown in communication between Faculty, Admission and Records, and the Financial Aid Office resulted in the overpayment of \$206 due to a "NO SHOW" date issue allowing a course to appear active in the Financial Aid Award screen and paid in good faith. A process has been set in place with CMC's IT Department to capture "NO SHOW" with date issues. Any necessary adjustments are then applied to the Cal Grant award and reported to the Commission through WebGrants to ensure accuracy of the enrollment status.

COMMISSION REPLY:

The institution submitted policy and procedures that are deemed acceptable. Copper Mountain College **must** remit the ineligible amount of **\$206** on behalf of student 3 as directed in the invoice instructions the Commission has issued.

FISCAL
RESPONSIBILITY
FOR PROGRAM
FUNDS:

FINDING 2: Cal Grant funds not reconciled for the 2013-14 award year

A review of the institution's accounting and financial aid records revealed that Cal Grant funds were not reconciled for the 2013-14 award year.

DISCUSSION:

All participating institutions agree to use the funds advanced to it solely for payment to eligible recipients in the Cal Grant program. Once the Commission advances Cal Grant funds, schools must determine and verify student eligibility before disbursing funds.

Institutions are required to reconcile payments no later than sixty (60) days after the end of the payment period. All Cal Grant funds must be properly recorded and allocated to the appropriate award year for which the funds were advanced and disbursed. The institution must also report adjusted payment transactions for transactions previously reported in error. The institution must reconcile all award year Cal Grant funds received and disbursed by the institution no later than December 31 following the award year (e.g. December 31, 2015, for the 2014-15 award year). The institution will bear the liability for payments not reported prior to the December month-end processing cycle. Should the institution's records of individual payments to eligible students be less than what the Commission paid, the institution must return the difference to the Commission.

Cal Grant accounting ledgers and discussion with accounting personnel revealed that Cal Grant funds in the amount of \$205 were undisbursed for the 2013-14 award year. A review of the transmitted financial aid report for the 2013-14 award year and financial aid files for one student revealed that the student was eligible for a three-quarter time Cal C award of \$205 for the spring 14 term but funds were not disbursed.

FINDINGS AND REQUIRED ACTIONS (continued)

During the onsite review the institution remitted a check (No. 21570) in the amount of \$205 to the student.

The institution was previously cited for not reconciling Cal Grant funds in the August 2002 CSAC Audit Report for the 2000-01 award year. Thus, this finding is deemed as an area of continued noncompliance.

REFERENCES:

California Education Code, 69432.8
Institutional Participation Agreement, Article II, III and IV
Cal Grant Manual, Chapter 9, Section 9.4 and 9.5, September 2003
Cal Grant Manual, Chapter 10, October 2003
2016 Cal Grant Handbook, Chapter 14, 2/11/2016
2016 Cal Grant Handbook, Chapter 16, 2/11/2016
CSAC Special Alert, GSA 2015-38, September 25, 2015

REQUIRED ACTIONS:

The institution must provide written procedures and quality control measures that will be implemented to ensure that Cal Grant funds are reconciled between the Financial Aid Office, Accounting office and the WebGrants system for the award year. These written procedures should include staff titles and specific areas of responsibilities as they relate to the Cal Grant accounting process.

Furthermore, institution staff must receive training pertaining to the issue above from the Commission via Webinar. Please contact Tae Kang at (916) 464-2954 or via e-mail at Tae.Kang@csac.ca.gov. Certification of completion must be provided when responding to this finding.

INSTITUTION RESPONSE:

Cal Grant funds not reconciled for the 2013-14 Award Year – liability \$0 Cal Student was issued check # 21570 in the amount of \$205 during the onsite review.

The Financial Aid Office and the Office of Fiscal Services are working closely together in the Reconciliation Process. The Fiscal Services Specialist has been added as a “USER” to WebGrants with “Reading” permissions to access Reject/Denial and Monthly Payment Reports.

FINDINGS AND REQUIRED ACTIONS (continued)

Student reconciliations are performed by the Financial Aid Office and the Office of Fiscal Services comparing the individual students paid by CMC and those reported to the Commission using the Commission's Monthly Payment Report and CMC's reporting system. Any discrepancies are corrected and reported to the Commission through WebGrants. Reconciliations are performed periodically throughout the Award Year and up to 60 days following the end of the semester/term. Increased communication with the Office of Fiscal Services will be on-going to ensure compliance.

Fiscal Service Specialist and Financial Aid Specialist attended Program Compliance Training with the Commission and received a certificate of completion.

COMMISSION REPLY:

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