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MAY 26 2016

Dr. Mario Medina  
President  
205 Antonio R. Barcelo Avenue  
Cayey, PR 00736-5534

UPS Tracking #: 1ZA879640291211316

Re: Announced on-site Program Review  
OPE ID Number: 007206-00

Dear Dr. Medina:

This letter confirms that an on-site Program Review has been scheduled to begin on June 20, 2016 at University of Puerto Rico - Cayey University College (UPR - Cayey). You were notified via telephone of this review by Frank Reyes on **May 24, 2016**. This review will be performed by Frank Reyes and Debra Knight-Brown.

This review will assess UPR - Cayey's administration of the Title IV, HEA programs in which it participates. The review initially will cover the 2014-15 and 2015-2016 award years, but may be expanded if appropriate. The Department of Education (Department) considers the administration of the Title IV, HEA programs to be an institution-wide effort. Consequently, the review will include all offices involved in the financial aid administration:

- Financial Aid office
- Registrar office
- Academic office
- Admissions office
- Fiscal/Business office

At the start of the review, we will conduct an entrance conference with you and your staff to discuss the review process. We will contact you to establish a time for the conference. Please inform the personnel responsible for the above areas, and any others you deem appropriate, so they or their designees can attend the entrance conference and remain available during the review.

In preparation for the review, please provide the following additional information electronically via email by **close of business on Friday, June 3, 2016**:

1. Catalog/brochure of institution;
2. Policy and procedures concerning:
  - Admissions, institution and academic programs

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION  
New York/Boston School Participation Division  
5 Post Office Square, 9<sup>th</sup> Floor, Suite 950-A, Boston, MA 02109-3921  
StudentAid.gov

- Satisfactory academic progress
  - Attendance
  - Recruiter compensation/incentive programs
  - Withdrawals, official and unofficial
  - Return of Title IV funds
  - Verification
  - Awarding of Title IV, HEA program aid
  - A list of all Cost of Attendance for students receiving TIV Aid (Budgets)
  - Statements regarding the institution's educational programs, its financial charges, or the employability of its graduates
  - Selection of Preferred Lenders, if applicable
3. List of Third Party Servicers involved in marketing, recruitment, admissions and the services they provide (if applicable)
  4. Institutional and financial aid student consumer publications
  5. URL's for all financial aid consumer information
  6. Examples of institutional forms, applications and worksheets that are used in administering the Title IV, HEA programs
  7. Total current enrollment and percentage receiving Title IV, HEA program aid
  8. Organizational chart of the institution that includes at a minimum, all administrators currently employed by the institution.
  9. If the institution offers programs via distance education, include the following:
    - A list of all programs that are offered at physical campus locations.
    - A list of all programs that includes courses that are offered via distance education, regardless of the percentage (e.g. online)
    - Please provide whatever materials that explain the faculty role in regards to interaction with students in distance education courses (e.g. faculty contract, handbook, job description, policy, and training materials).
    - Any instructions or materials provided to students for participation in online courses (including Web links)
  10. If the institution offers correspondence courses, include the following:
    - The percentage of correspondence courses offered in the latest complete award year
    - A list of all courses offered in the latest complete award year, identifying those courses that are correspondence

Please use the enclosure, Online Location of Consumer Information Documents, to record the URL of the items listed above and any documents available only in hardcopy form. Please e-mail the completed form to [Frank.Reyes@ed.gov](mailto:Frank.Reyes@ed.gov) within 5 days of receipt of this letter and mail a copy of any materials available only in hardcopy.

**Please do not send original materials**, except for catalogs, brochures, pamphlets, handbooks, etc. The requested documents listed above should be copies. Please direct this information to:

U. S. Department of Education  
Federal Student Aid – SPD/PC NY/BOS Team  
**Attn: Frank Reyes**  
John W. McCormack – Federal Building  
5 Post Office Square, 9<sup>th</sup> Floor, Suite 950-A  
Boston, MA 02109-3921

In addition, the institution must provide the data elements indicated in the attached Recipient Data Spreadsheet. The institution may choose to complete the provided file, or generate its own electronic file in the same format as the file provided. Return the file to Frank Reyes by e-mail at [Frank.Reyes@ed.gov](mailto:Frank.Reyes@ed.gov) no later than **Friday, June 03, 2016**. Please see the enclosure Protection of Personally Identifiable Information (PII) for instructions regarding submission of required data / documents containing PII.

Regulatory authority to examine program and fiscal records and conduct reviews may be found at 34 C.F.R. § 668.24.

In addition to the information we have requested prior to the review, we also request that other specific records and documents be assembled in advance of the visit for examination by the review team at the start of the review on **June 20, 2016**. These records and documents are outlined on the enclosure. Please be certain that all records, hard copy and electronic, are available on site at the start, and for the duration, of the review. If UPR - Cayey has contracted with one or more third-party servicers, such as consultants and data processors, to perform any functions related to the Title IV, HEA programs, UPR - Cayey must notify each servicer of the program review so that all of the records are available for examination at the institution no later than the start of the program review. The reviewers may request additional documents and records while on-site as necessary.

Please make arrangements for the review team to have access (view only and print capability) to any computer databases containing information related to Title IV, HEA program eligibility or disbursements (e.g., computerized student account records).

UPR - Cayey must provide access to its administrative staff and students. We also request that the institution provide a secure working space for the review team to ensure the confidentiality of the institutional records being reviewed. We will also need access to a photocopy machine.

At the conclusion of the review, the review team may conduct an exit conference with you and/or your designee(s). The institution will receive an official written report at a later date.

If you have any questions, please call Frank Reyes at 617-289-0124. Thank you for your cooperation.

University of Puerto Rico - Cayey University College

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Sincerely,

A handwritten signature in cursive script that reads "Betty Coughlin". The signature is written in black ink and is positioned above the printed name and title.

Betty Coughlin  
Director

cc: Ms. Sonia I. Placeres, Financial Aid Director  
PR Council On Higher Education  
Elizabeth H. Sibolski, Middle States Commission on Higher Education  
Department of Defense  
Department of Veterans Affairs  
Ms. Sharon Mobley, Consumer Financial Protection Bureau

Enclosures:

Online Location of Consumer Information Documents  
Records and Documents to be available at the start of the Program Review  
Recipient Data Spreadsheet File (sent to school via email)  
Protection of Personally Identifiable Information (PII) emailing instructions

## **PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION**

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

**PII data cannot be sent via fax.**



University of Puerto Rico - Cayey University College  
205 Antonio R. Barcelo Avenue  
Cayey, PR 00736-5534  
OPE ID Number: 007206-00

**Status Conference Agenda**  
**Date: June 24, 2016**

1. Introduction
2. Preliminary Findings:
  - SAP Policy (academic policy is stricter than FA SAP Policy for 2015-2016 Award Year) - systemic
  - Exit Counseling Deficiency (for Unofficial Withdrawn Students) - systemic
  - Direct Loan Right to Cancel Notification not provided to loan borrowers – systemic
  - Late R2T4 performed for 3 students (school self reported); these 3 files and the R2T4 files in sample are yet to be reviewed
  - Conflicting information re: Cost of Attendance reported to COD is different than the one used at the school
  - No Student Account/Ledger system in place
  - Award letter and its disclosure
  - COD Reporting Deficiency
  - Enrollment Reporting Deficiency
3. Next Steps in the Process
  - Review the information collected on-site and the information provided prior to this review
  - Program Review Report
  - Institution Response
  - Final Program Review Determination
  - Appeal Process
4. Outstanding Items and Time Frames:
  - Answers from Rene Vargas of the following: 1. Accreditation status for Central's OPE ID; 2. Where the Perkins Account money is; 3. Recommended that Rafael Solis be the Contact Official for recertification application for all schools in the E-App

Federal Student Aid

New York/Boston School Participation Division  
5 Post Office Square, 9<sup>th</sup> Floor, Suite 950-A, Boston, MA 02109-3921

- Account ledgers/Students Account for sample 2015-2016 sample students
- Credit balances canceled checks/EFT payment proof to students for 2015-2016 sample
- R2T4 (G5 return to the Federal Fund) documentation for the withdrawn students in Sample and the 3 self-reported to the reviewers

5. Immediate Actions or Changes

- SAP Policy must match in order to be measured and meet Federal Guidelines
- Exit Counseling notification to withdrawn students
- Direct Loan Right to Cancel Notification/Documentation
- Conflict Information - Cost of Attendance used at the school must match the Cost of Attendance reported to COD
- Student Account/Ledger must be developed and implemented using at least 3 columns (Charges/Payments/Running Balance) and description of entry must be clear and simple to understand

6. Questions