



***Program Compliance Services  
Cal Grant Program Review Report***

***2019-20 Award Year***

**Feather River College - BA Program  
Program Review ID# 92200859701**

**570 Golden Eagle Avenue  
Quincy, CA 95971**

---

**Program Review Dates:**

November 2022 - March 2023

**Auditor:**

Leshni Nand

**Report Approved by:**

Ana Marquez, Audit Manager  
Program Compliance Services

---

## TABLE OF CONTENTS

---

### Page Number

#### AUDITOR'S REPORT

SUMMARY .....	3
BACKGROUND .....	3
OBJECTIVES, SCOPE AND METHODOLOGY .....	4
CONCLUSION .....	5
FINDINGS AND REQUIRED ACTIONS .....	6

---

## AUDITOR'S REPORT

---

### SUMMARY

We reviewed Feather River College's - BA Program administration of California Student Aid Commission (Commission) programs for the 2019-20 award year.

The Institution's records disclosed the following deficiencies:

- Standards of administrative capability in question
- Cal Grant B Access funds not disbursed
- Cal Grant award not maximized
- Cal Grant funds not reconciled for the 2019-20 award year
- Interest earned on Cal Grant funds not returned timely

### 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, and B
------------	----------

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 Institution of Higher Education
- President: Dr. Kevin Trutna
- Accrediting Body: Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges

#### B. Institutional Persons Contacted

- Vanessa Gibson: Director of Financial Aid
- Diana Esquibel Mendez: Director of Financial Aid (Former)
- Morgan Turner: Interim Director of Fiscal Services
- Gretchen Baumgartner: Director of Admissions and Records/Registrar

#### C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: None
- Federal Aid Programs: Direct Loan Program, Work-study, Pell, and SEOG
- 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. 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 5 students who received a total of 1 Cal Grant A award and 4 Cal Grant B awards within the review period. The program review sample was selected from the total population of 5 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 Participation 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 March 15, 2023. The Institution staff concurred with all findings.

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

Ana Marquez, Audit Manager  
Program Compliance Services

---

## FINDINGS AND REQUIRED ACTIONS

---

GENERAL  
ELIGIBILITY:

**FINDING 1: Standards of administrative capability in question**

A review of the Institution's administration of the Cal Grant programs revealed a number of material findings that are representative of the school's lack of administrative capability.

**DISCUSSION:**

To participate in the Cal Grant Program, an institution must maintain certain standards of administrative capability and financial responsibility in accordance with state and federal regulations. Participating institutions act as a fiduciary in the administration of the State of California student financial assistance programs, therefore, participating schools are subject to the highest standards of care and diligence in administering the Commission's programs.

In order to measure an institution's performance, it is necessary to evaluate and analyze the institution's implemented internal controls (procedures) for safeguarding the operational and fiscal integrity of the Cal Grant programs. A routine procedure of the program compliance review is to examine the institution's controls and written procedures.

Administrative capability includes, among other things, the assignment of a sufficient number of capable individuals to administer Commission programs and the maintenance and submission of accurate records relating to student eligibility and program payments. It is important that institutions have written policies and procedures to direct staff in the proper administration of Commission programs. In the event that there are changes in personnel (new employees are hired, employees transfer to new jobs, retire, etc.), documented policies and procedures will facilitate training and provide sufficient information to permit an individual who is unfamiliar with the program to accurately perform necessary activities. An institution's procedural manual should be kept up-to-date and should include, at a minimum, information on the following:

- Administration of the Cal Grant programs
- Check disbursement
- Procedures by which Cal Grant funds are received, processed, disbursed, reconciled and returned to the Commission
- Interest calculation procedures
- Award packaging and notification
- Refunds and repayment
- Over-award resolution
- Confirmation of citizenship status
- Completion of the verification process
- Satisfactory academic progress

Other written procedures are deemed necessary as it relates to the student and/or institutional eligibility.

---

## FINDINGS AND REQUIRED ACTIONS

---

The following findings, which are addressed individually in this report, demonstrate the weaknesses in the institution's administrative capability to administer the Cal Grant Program and must be addressed by the institution:

- Finding 2: Cal Grant B Access funds not disbursed
- Finding 3: Cal Grant award not maximized
- Finding 4: Cal Grant funds not reconciled for the 2019-20 award year
- Finding 5: Interest earned on Cal Grant funds not returned timely

### REFERENCES:

Higher Education Act of 1965, as amended, Section 498A  
34 CFR 668.16  
Institutional Participation Agreement, Articles I, II, III, IV  
Cal Grant Handbook, Chapter 1  
Federal Student Aid Handbook, Chapter 3

### REQUIRED ACTIONS:

The Institution is required to develop and submit a detailed corrective action plan as it pertains to the Cal Grant Programs and fiscal administration of Cal Grant funds that will be implemented to ensure that all institutional offices (Financial Aid, Admission, Registrar, Bursars, Accounting, etc.) with information establishing and/or impacting a student's Cal Grant eligibility, and any resulting disbursements, work closely together. The plan must also include the titles of staff responsible for each function of the administration of the Cal Grant Programs.

Additionally, institutional staff must receive training on all findings identified in this report. Please contact Program Operations Unit at 1-888-294-0153 or via email at [schoolsupport@csac.ca.gov](mailto:schoolsupport@csac.ca.gov). Certification of completion must be provided when responding to this finding.

Lastly, due to the severity of the findings, the Commission will place Feather River College in the Commission's At-Risk Program in an attempt to bring the Institution into compliance with all state and federal laws and regulations, Commission policies, and the Institutional Participation Agreement. An institution that fails to meet standards of administrative capability may have its participation in the Cal Grant Program terminated.

### INSTITUTION RESPONSE:

"I am writing to inform you that Feather River College has implemented and is taking corrective action on the findings in our recent program review. Since the start of the audit the financial aid staff attended two CSAC Regional Trainings. We were able to obtain a wealth of knowledge and understanding of the complex regulations (Certificates Attached). The regional trainings allowed us to ask questions to subject experts and network with other colleagues. This experience has given us the knowledge needed to update and enhance our policy and procedure manual for Cal Grant.

---

## FINDINGS AND REQUIRED ACTIONS

---

Feather River College has designated staff that will be responsible for each function of the administration of the Cal Grant Program.

President/ Chief Executive Officer
Financial Aid Director
Chief Financial Officer
Cal Grant Coordinator

Since the exit interview, Feather River College has started to implement a Cal Grant Integration with our ERP provider Ellucian Banner. Ellucian's Cal Grant Interface solution supports data interchange regarding the Cal Grant Financial Aid grant award between the institution (Banner ERP data) and the California Student Aid Commission (CSAC) through automated import and export of roster files to/from Banner and manual upload/download on CSAC's Web Grants site.

Using the Banner Cal Grant Interface, we can process Cal Grant award eligibility and other related information found in the roster from the California Student Aid Commission (CSAC) WebGrants site. This interface allows us to post the awards to a student's financial aid record and extract Cal Grant payment data (along with other related data) for upload to CSAC's WebGrants site. Automated import/export processes enables us to efficiently process awards and eliminate manual work, errors, and other redundancies. We believe this will help ensure we are in compliance with the Cal Grant Programs and fiscal administration.

Furthermore, we have examined our reconciliation process and have made significant improvements to ensure timely reporting of payments and return of funds to the commission. The business office will remit interest by March 1st of every year to CSAC. Historically, Plumas County has been delinquent in apportioning interest income to the District by as much as one year. In the future, the District will complete the interest remittance form by the deadline set forth by CSAC even if we have not yet received our interest from Plumas County. Additionally, the Business Office will collaborate with the Financial Aid department to ensure that any funds not used by the end of the year will be returned to CSAC."

### **COMMISSION REPLY:**

The Institution has submitted a thorough and compressive corrective action plan that addresses the administration of the Cal Grant programs and has attended the required training. Certification of completion has been submitted.



---

## FINDINGS AND REQUIRED ACTIONS

---

**FUNDS  
DISBURSEMENTS  
AND REFUNDS:**

**FINDING 2: Cal Grant B Access funds not disbursed**

A review of the file of four Cal Grant B recipients revealed one case in which the Institution failed to disburse Access funds to the student.

**DISCUSSION:**

According to the Institutional Participation Agreement, 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 terms and conditions must be provided in writing to all participants and students have the right to rescind their authorization option at any time up to the date the fund is disbursed.

At Feather River College BA Program, Cal Grant B Access funds are disbursed directly to the student. However, a review of the file of Student 3 revealed that the Institution failed to disburse Cal Grant B Access funds in the amount of \$836 for the Spring 2020 semester. Thus, these funds need to be returned to the Commission. The ineligible funds in the amount of \$836 will be collected via Finding 4 of the report.

**REFERENCES:**

Institutional Participation Agreement, Article IV.C.2.  
Cal Grant Handbook, Chapter 13

**REQUIRED ACTION:**

The Institution must provide policies and procedures that will be implemented to ensure students’ Cal Grant funds are disbursed.

**INSTITUTION RESPONSE:**

“I agree with this finding and have update our policy and am working on establishing a new procedure for our BA Cal Grant students. Furthermore, using the Banner Cal Grant Interface, we can process Cal Grant award eligibility which enables us to efficiently process awards and eliminate manual work, errors, and other redundancies.”

**COMMISSION RESPONSE:**

No further action is required.

---

## FINDINGS AND REQUIRED ACTIONS

---

**FUNDS  
DISBURSEMENTS  
AND REFUNDS:**

**FINDING 3: Cal Grant award not maximized**

A review of 5 students revealed that three students' Cal Grant awards were not maximized.

**DISCUSSION:**

All schools will designate their selected payment terms annually on the College Cost Estimate page on the School Info menu on WebGrants. Payments delivered to students will be based on attendance during the selected pay periods. All schools have the capability of selecting their own terms, commonly known as "institutionally selected payment terms." Institutions are required to disburse Cal Grant funds per term based upon the institution's payment periods/term for the academic year for which Cal Grant funds are appropriated.

Furthermore, the Cal Grant A award only pays Tuition and Fees. The Cal Grant B award comes with two payment components: Access and Tuition and Fees. The maximum award amount for the Cal Grant B program for first-year students covers living expenses, books, supplies, and transportation but not tuition and fees. The grant covers tuition and fee award amounts beyond the freshman year.

At Feather River College, students enrolled in BA programs are eligible for the tuition portion of the grant. The enrollment fee and tuition charges for upper-division coursework are \$84 per unit at the Institution.

A review of the file of four Cal Grant B recipients revealed that the students solely received the Access portion of the award. However, the students were eligible to receive the following Tuition and Fee awards as illustrated below:

Student ID	Term	Tuition & Fee Amount
2	Fall 2019	\$1,008
	Spring 2020	\$1,008
3	Fall 2019	\$1,008
	Spring 2020	\$1,008

The student was eligible to receive the Tuition and Fees portion of the award in the amount of \$1,008 (\$84 x 12 units) for each term. As a result, the student's award was not maximized.

A review of the file of Student 5 revealed that at Census (9/2/2019), the student was enrolled in 13 units. The student's ledger showed that the student received a half-time payment in the amount of \$996 on 12/6/2019. At the time of disbursement, the student was eligible to receive a full-time payment in the amount of \$1,991. As a result, the student's award was not maximized due to enrollment status.

---

## FINDINGS AND REQUIRED ACTIONS

---

### REFERENCES:

California Education Code section 69432.7(f)  
Institutional Participation Agreement, Articles IV.B, IV.C.  
Cal Grant Handbook, Chapter 10  
Cal Grant Handbook, Chapter 13

### REQUIRED ACTION:

The Institution must submit policies and procedures that will be implemented to ensure that Cal Grant recipients are paid according to their respective enrollment status and Cal Grant type/program.

### INSTITUTION RESPONSE:

“Feather River College has updated their policy to show that students will not be added to the BA roster until they are accepted into the BA program and are taking upper division coursework.”

### COMMISSION RESPONSE:

No further action is required.

### FISCAL RESPONSIBILITY FOR PROGRAM FUNDS:

#### **FINDING 4: Cal Grant funds not reconciled for the 2019-20 award year**

A review of the Institution’s accounting and financial aid records revealed that Cal Grant funds were not reconciled for the 2019-20 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 September 24, 2020 for the 2019-20 award year. The Institution will bear the liability for payments not reported prior to the September 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.

---

## FINDINGS AND REQUIRED ACTIONS

---

A review of the Cal Grant Reconciliation Form completed by the Institution revealed that the Institution was advanced \$8,776 by the Commission. However, disbursed \$7,940 in student payments. The difference of \$836 (\$8,776 - \$7,940) needs to be returned to the Commission.

### REFERENCES:

California Education Code, 69432.8  
Institutional Participation Agreement, Articles II, III and IV  
Cal Grant Handbook, Chapter 14  
Cal Grant Handbook, Chapter 16  
CSAC Special Alert, GSA 2020-22, June 18, 2020

### REQUIRED ACTIONS:

The Institution will be required to remit the ineligible amount of **\$836** upon invoicing from the Commission.

In addition, the Institution must submit written procedures and quality control measures that will be implemented to ensure that Cal Grant funds are reconciled between accounting ledgers, financial aid generated reports, and the institution's bank account on an award year basis. These written procedures should include staff titles and specific areas of responsibilities as they relate to the Cal Grant accounting process.

### INSTITUTION RESPONSE:

"The financial aid did reconcile for the 1920 aid year, but unfortunately funds did not get returned by the business office. I do believe this was because of the Director of Financial aid passing away and new staff being on boarded. We have examined and documented our reconciliation process and have made significant improvements to ensure timely reporting of payments and return of funds to the commission. Additionally, the Business Office will collaborate with the Financial Aid department to ensure that any funds not used by the end of the year will be returned to CSAC."

### COMMISSION RESPONSE:

No further action is required.

FISCAL  
RESPONSIBILITY  
FOR PROGRAM  
FUNDS:

### FINDING 5: Interest earned on Cal Grant funds not returned timely

A review of the Institution's interest documentation revealed that interest earned on Cal Grant funds was not returned timely for the 2019 calendar year.

### DISCUSSION:

Annual interest earned on Cal Grant funds constitutes State funds and must be remitted to the Commission on behalf of the State no later than March 1 following

---

## FINDINGS AND REQUIRED ACTIONS

---

the calendar year for which the interest accrued (e.g., March 1, 2020, for calendar year 2019). Each year, the Commission issues a Special Alert to all institutions to remind them that the interest is due by March 1st of the year.

When returning interest, neither bank related fees associated with maintaining the account nor negative interest associated with an institution's use of non-state funds for Cal Grant students should be deducted from the accrued interest. Both these amounts reflect expenses that cannot be offset against the interest earned by the advance of State funds for the Cal Grant program.

In calculating the interest on the Cal Grant funds, an institution should utilize the same methodology as was used by its financial institution or investment pool to calculate interest on the account in which the Cal Grant funds were deposited.

Interest documentation provided by the Institution revealed that interest for the 2019 calendar year was remitted to the Commission on October 13, 2020. The interest was not remitted to the Commission by March 1, 2020.

### **REFERENCES:**

Institutional Participation Agreement, Article III.D  
Cal Grant Handbook, Chapter 14  
Cal Grant Handbook, Chapter 16  
CSAC Special Alert, GSA 2021-05, February 9, 2021

### **REQUIRED ACTION:**

The Institution is required to submit policies and procedures that will be implemented to ensure that all interest earned on Cal Grant funds is returned to the Commission as outlined in the Institutional Participation Agreement.

### **INSTITUTION RESPONSE:**

"The business office will remit interest by March 1st of every year to CSAC. Historically, Plumas County has been delinquent in apportioning interest income to the District by as much as one year. In the future, the District will complete the interest remittance form by the deadline set forth by CSAC even if we have not yet received our interest from Plumas County."

### **COMMISSION RESPONSE:**

No further action is required.