Dear all

Financial aid is a very confusing field in which the Department expends tons of time in conferences, webinars, publications and multiple emails going up and down to clarify issues and provide guidance on published Regulations and on SFA Handbooks.

The RGM systems and procedures go through an annual review by not less than 10 CPA firms, in addition to its own RGM annual compliance audit.

With this said, RGM is not perfect and strives to maintain operations in compliance as close to regulatory guidance as possible. Occasionally--not often--the RGM procedures have been disputed in an audit or program review. It is needless to say that some auditors and program reviewers have conducted other audits and program reviews and the issue was never cited. When a citation appears on an audit or program review, RGM makes the change to their procedures and provides a corrective action to the satisfaction of the reviewer or auditor.

Recently, based on program reviews and audits, two incidents came out on our procedures related to the R2T4.

First, we were advised to review the manner in which we calculate scheduled hours in a student withdrawing from a clock hour course subsequent to the successful completion of any of the payment periods in the course.

On 2/15/2012, a modification was made per my understanding into the RGM Web system but not to the HP system. The HP system is being phased out and did not accommodate the change without additional programming.

My understanding of the needed adjustment was incorrect, on 5/21/2012 I stand corrected and as of 05/23/2012, I requested a reversion to the system to show that at the time of the student LDA, the system would look at the total hours scheduled and subtract the scheduled hours at the time the student successfully completed the last payment period and use that difference to determine the hours scheduled in the payment period when the student withdraw.

This temporary change affected students withdrawing with an LDA between 2/15/2012 and 5/23/2012, that withdrew after the successful completion of at least one payment period in their course of study.

The correction to the Web system would recalculate the affected student providing any differences in the refunds due report.

The second issue relates to the replacement of prorated institutional charges if the funds retained are more than the prorated institutional charges.

I requested a change to the system based on our understanding from an audit and confirmation from the Department when the school charges by payment periods but in its refund policy charges the student based on 100% of the course.

With that clarification, I requested a change in our system to apply this replacement only if the institution actually charges the student for the entire course instead of by payment periods as of 5/5/2012.

This change affects only those students where the institution retains more Title IV funds than those equal to the prorated institutional charges for the payment period (if the institution has a balance due from the prior payment period in the same award year or creates a credit balance).

These are the two changes made in the system that would in most cases would not affect your school.

Both of these issues have been reviewed and audited many times in the past without being cited, as soon as it was brought out to our attention we made the appropriate changes.

I apologize for any inconvenience this has caused to any of our clients.

Respectfully

Rafael Gonzalez