

Winton, Kathryn

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**From:** Smith, Joseph  
**Sent:** Wednesday, December 14, 2005 3:43 PM  
**To:** Winton, Kathryn  
**Subject:** FW: Dayanand Medical College & Hospital

-----Original Message-----

**From:** Robertson, Stephanie  
**Sent:** Wednesday, December 14, 2005 3:22 PM  
**To:** 'dmch\_ldh@satyam.net.in'  
**Cc:** Smith, Joseph; Hernelt, Barbara  
**Subject:** Dayanand Medical College & Hospital

December 13, 2005

Dear Mr. Brij Mohan Lal Munjal

Attached please find an electronic copy of an important notice from the United States Department of Education regarding your institution's eligibility to participate in the Federal Family Loan Programs. The letter requires a response from your institution within 45 days.

Please bring this information to the attention of the appropriate officials at your institution.



Dayanand Medical  
College & Hos...



**UNITED STATES DEPARTMENT OF EDUCATION**

**FEDERAL STUDENT AID  
SCHOOL ELIGIBILITY CHANNEL  
FOREIGN SCHOOLS TEAM  
WASHINGTON, DC 20202-5340**

DEC 14 2005

Dr. Daljit Singh  
Principal  
Dayanand Medical College & Hospital  
Civil Lines  
Ludhiana, Punjab  
India  
141001

**RE: Final Request for Documents  
Recertification Application  
US Federal Student Aid  
OPE-ID: 02164600**

Dear Dr. Singh:

The Foreign Schools Team in the School Eligibility Channel, of the United States Department of Education (Department), has reviewed the recertification *Application for Approval to Participate in Student Financial Aid Programs* (Application) submitted by Dayanand Medical College & Hospital (Institution), Ludhiana, Punjab, India on December 12, 2002. We have determined that your institution has not provided the required information that would enable the Department to complete its review and make a determination of eligibility.

The Department needs to receive the following information or documents in order to complete the recertification process:

1. A **catalog or prospectus** for the most recent academic year, which includes the admissions policy, satisfactory academic progress policy, refund policy, and information on all educational program and locations;
2. **Alternative Compliance Engagement** for the fiscal year ended 3/31/2002;
3. **Alternative Compliance Engagement** for the fiscal year ended 3/31/2001;
4. **Alternative Compliance Engagement** for the fiscal year ended 3/31/2000;
5. **Audited Financial Statements** for the fiscal year 3/31/2005;
6. **Audited Financial Statements** for the fiscal year 3/31/2004;

7. **Audited Financial Statements** for the fiscal year 3/31/2003;
8. **Audited Financial Statements** for the fiscal year 3/31/2002;
9. **Audited Financial Statements** for the fiscal year 3/31/2001;
10. **Audited Financial Statements** for the fiscal year 3/31/2000;
11. **Current legal authorization and accreditation, with a certified English translation**, from the Medical Council of India to provide graduate medical education;
12. **Current legal authorization and its certified English translation** covering all educational programs for which your institution seeks eligibility;
13. A response to the emails dated September 1, 2005 and September 20, 2005 from Kate Winton. Sections A, C, I, K, L, and M of the electronic application must still be completed as described;

In Question 69 of the application, your Institution has indicated that they consider the questions in Section K not applicable to Dayanand Medical College & Hospital. These questions directly reference the Department's regulations, which Dayanand agreed to when the Principal signed the program participation agreement. Dayanand must become compliant with these requirements and must check "yes" to every question (except for question 64, which does not apply to Foreign Schools). When you have made these changes, please delete the comments in Section K.

14. Clarification on the institution's affiliations to Punjab University and to Baba Farid University of Health Sciences;

We have previously informed your Institution of these requirements in the following manners:

- On October 12, 2005, email and facsimile to Ms. Anuradha Langar from Kate Winton
- On September 20, 2005, email and facsimile to Ms. Anuradha Langar from Kate Winton
- On September 19, 2005, facsimile to Dr. Daljit Singh from Kate Winton
- On September 6, 2005, email to Dr. Daljit Singh from Kate Winton
- On September 1, 2005, email to Dr. Daljit Singh, from Kate Winton
- On August 25, 2003, letter to Dr. Subhash Chander Ahuja from M. Geneva Coombs
- On November 24, 2000, letter to Dr. Subhash Chander Ahuja from M. Geneva Coombs

The Institution is required to submit the documents and information listed above to support its Application. Annual submission of audited financial statements is also one of the Institution's reporting obligations as a participant in the Department's Federal Student Aid

programs. These reporting requirements are set forth in the Department's regulations, handbooks and "Dear Colleague" letters to participating institutions.

In August 2003, the Department issued a "Dear Colleague" letter to all foreign schools that participate in the FFEL programs, to remind them that each foreign school that enrolls U.S. students who receive FFEL funds must submit yearly a compliance audit and audited financial statements. A copy of the August 2003 "Dear Colleague" letter, GEN-03-10, is attached to this notice.

According to our records, we have not received audited financial statements and compliance audits that conform to the Department's requirements.

**This letter notifies you that the Department will consider your Application incomplete and deny your request for continuing eligibility under the FFEL programs unless all of the missing or incomplete items listed above are received in our office by 45 calendar days from the date of this letter.**

Please forward the documentation to the following address, if by mail:

United States Department of Education  
Federal Student Aid, School Eligibility Channel  
Attention: Kate Winton, Foreign Schools Case Team  
Union Center Plaza, 73F1  
830 First Street, NE  
Washington, DC 20202-5340

Alternatively, you may send the documents to the Foreign Schools Team by fax to the following fax number: 202-275-3486.

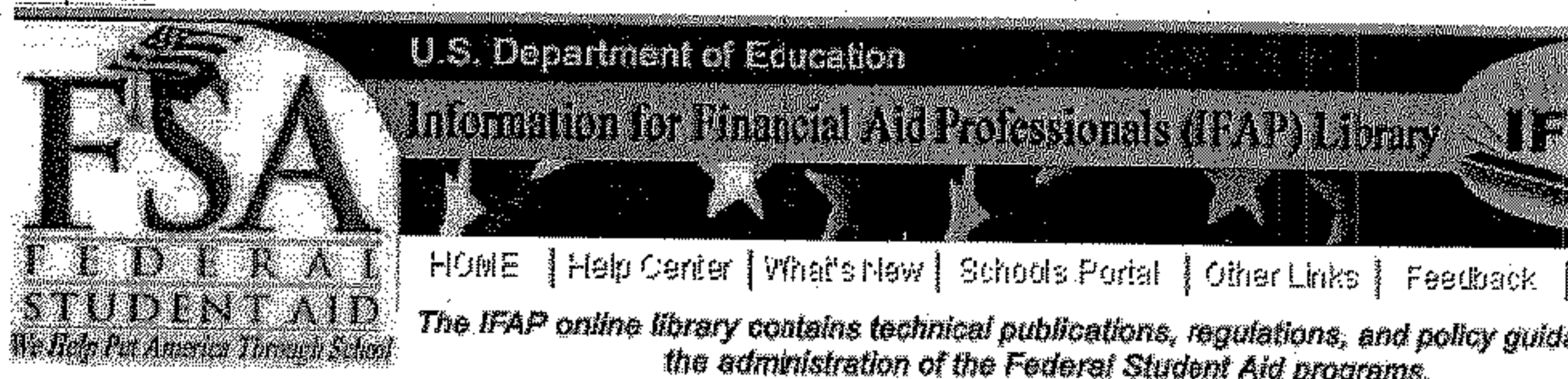
If you have any questions concerning this letter, you may contact Ms. Kate Winton, a member of the Foreign Schools Team. She may be reached by phone at (202) 377-3280 or by email at [kathryn.winton@ed.gov](mailto:kathryn.winton@ed.gov).

Sincerely,



M. Geneva Coombs, Director  
School Participation Teams – Northeast

Courtesy copy sent in PDF format by electronic mail to:  
Mr. Brij Mohan Lal Munjal, Chairman, Managing Society  
[dmch\\_ldh@satyam.net.in](mailto:dmch_ldh@satyam.net.in)

[Skip Nav](#)The header features the FSA logo on the left, which includes the text 'FSA', 'FEDERAL STUDENT AID', and 'We Help Put America Through School'. To the right of the logo, the text reads 'U.S. Department of Education' and 'Information for Financial Aid Professionals (IFAP) Library'. Below this, a navigation menu lists 'HOME | Help Center | What's New | Schools Portal | Other Links | Feedback |'. A descriptive sentence follows: 'The IFAP online library contains technical publications, regulations, and policy guides the administration of the Federal Student Aid programs.'

U.S. Department of Education  
Information for Financial Aid Professionals (IFAP) Library

HOME | Help Center | What's New | Schools Portal | Other Links | Feedback |

The IFAP online library contains technical publications, regulations, and policy guides the administration of the Federal Student Aid programs.

Publication Date: August 2003

DCL ID: GEN-03-10

Reminder to foreign schools of various Title IV requirements

Posted on 08-27-2003

August 2003

GEN-03-10

**Subject: Reminder to foreign schools of various Title IV requirements**

**SUMMARY:** This letter reminds foreign schools that participate in the U.S. Federal Family Education Loan (FFEL) program of various requirements that must be followed. Foreign schools that are out of compliance must take prompt corrective action as detailed below.

Dear Foreign School Colleague:

As you know, an institution's participation in the Federal Family Education Loan (FFEL) program is governed by U. S. laws and regulations. These requirements help ensure that student financial assistance is being used for the purposes authorized by the law. The following is a summary of a number of requirements frequently overlooked by institutions located outside of the United States that participate in the FFEL program.

#### **Required annual submission of Title IV audits**

Every foreign school that enrolls U.S. students who receive FFEL program funds for attendance at that institution must submit yearly a compliance audit and audited financial statements. The annual submission of both a compliance audit and audited financial statements is required of all Title IV participating institutions by Section 487 (c) of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. § 1094(c), and section 668.23 of Title 34 of the U.S. Code of Federal Regulations (CFR). Audits must be submitted no later than six months after the last day of the institution's fiscal year.

A compliance audit for a foreign school covers an institution's administration of the U.S. FFEL program, while audited financial statements provide the Department of Education (the Department) with information necessary to evaluate an institution's financial responsibility. An independent auditor must perform both audits. An "independent auditor" is an independent certified public accountant or a government auditor. A government auditor must meet the U.S. Government Auditing Standards qualification and independence standards, including standards related to

organizational independence.

Audits for foreign schools must be performed in accordance with the Department's audit guide. The specific requirements are in the *Foreign School Audit Guide* that the Department issued in September 2002. For foreign schools, this guide replaces the guide entitled *Audits of Federal Student Financial Assistance Programs at participating Institutions and Institution Servicers*. The *Foreign School Audit Guide* is available at the following website: <http://www.ed.gov/offices/OIG/nonfed/index.html>

If U.S. students who attended your institution received \$500,000 or more (in U.S. dollars) in FFEL program funds for a fiscal year, you must:

- have your required audited financial statement translated for analysis according to U.S. Generally Accepted Accounting Principles (GAAP); and
- have your compliance audit performed under the standard compliance engagement specified in the *Foreign School Audit Guide*.

If U.S. students who attended your institution received less than \$500,000 (in U.S. dollars) in FFEL program funds per fiscal year, you may either follow the required standards for institutions with funding levels of \$500,000 or more, or:

- have your required audited financial statement prepared according to the generally accepted accounting principles and auditing standards of your institution's home country; and
- have your compliance audit performed under the alternative compliance engagement specified in the *Foreign School Audit Guide*.

As explained in the *Foreign School Audit Guide*, both the audited financial statements (if students receive more than \$500,000) and the compliance audits must be audited in compliance with the generally accepted government auditing standards of the United States of America (U.S. Government Auditing Standards).

These standards are developed by the Comptroller General of the United States and are published in The General Accounting Office (GAO) Government Auditing Standards. These standards are available at the following website: <http://www.gao.gov/govaud/ybk01.htm>

Every effort should be made to ensure that audits are conducted in accordance with U.S. Government Auditing Standards. Auditors who cannot comply with some or all of the requirements of U.S. Government Auditing Standards must identify in their reports what auditing standards were used to perform the work and identify how those standards differ from U.S. Government Auditing Standards. Auditors that identify the specific requirements from U.S. Government Auditing Standards with which they cannot comply must identify the portions of the audit related to these requirements and must indicate that they have otherwise complied with the U.S. Government Auditing Standards. Audits that do not indicate full compliance with U.S. Government Auditing Standards will be reviewed by the Department, and the Department will determine whether to accept the audits. Audits that do not provide an adequate explanation of why it was not possible to meet the audit standards set out in the regulations will be rejected.

#### *Resolution of audits for past periods*

Institutions with an FFEL loan volume of \$500,000 or greater per year who have overdue audits received a letter from the Department's Federal Student Aid (FSA) office informing the institution of required actions in December 2002. This letter serves as a reminder of the urgent need for such institutions to respond promptly to the issues raised in that letter. Failure to comply may result in administrative actions.

To fulfill audit requirements for past periods, institutions with an FFEL loan volume of less than \$500,000 per year that have not done so must submit compliance audits for the three most recently completed fiscal years and financial statements for the two most recently completed fiscal years. These institutions will receive a letter from the Department's FSA office specifying which of these required audits have not been submitted. The institution must submit a letter to the Department within 45 days of the date of the FSA letter demonstrating that the institution has engaged an auditor to perform all audits for these periods that have not yet been submitted. The institution must submit these audits within 90 days of the date of the FSA letter.

All participating institutions must continue to submit audits for subsequent completed fiscal years within six months of the end of the institution's fiscal year.

### **Responding to Student Status Confirmation Reports**

A Student Status Confirmation Report (SSCR) is used to update a student's loan record regarding enrollment and ensures that repayment of the loan begins as required. Most foreign schools will receive paper SSCRs that contain data about students who have borrowed for attendance at their school directly from the guaranty agencies guaranteeing loans for students at the school. Within 30 days of receiving the SSCR, your institution must review the data, make any necessary changes, and return the SSCR with the changes to the guaranty agency that sent it. Your institution should also document the return of the SSCRs and make this information available to your auditors as proof of compliance with the SSCR requirement. Similarly, if your institution reports SSCR data electronically through the Department's National Student Loan Data System, you must update the data and submit changes within 30 days. Updating this information timely is one part of the institution's requirements to demonstrate it has the administrative capability to participate in the FFEL program.

### **Obtaining the Student Aid Report Prior to Certifying Loans**

When a student completes the Free Application for Federal Student Aid (FAFSA), the FAFSA is submitted to the Department and the information on it is matched against other federal agency data systems to ensure the accuracy of the data presented (e.g., the student's Social Security Number (SSN) is matched against the Social Security Administration data system to ensure an accurate SSN.) Once the student's application is received and reviewed, a Student Aid Report (SAR) is generated by the Department and sent to the student. Your institution must obtain a copy of this report for each student applying for a FFEL loan before your institution completes processing the loan application.

In the alternative, this report may be sent to the institution as an electronic file (Institutional Student Information Report - ISIR), if the institution has been granted approval to participate electronically. At this time, the Department's computer security policy requires any user of our electronic database to have a U. S. SSN. As a result, many foreign schools are unable to participate electronically or to receive the electronic student records. Therefore, if you are not receiving ISIRs, your institution must obtain a copy of the paper SAR from the student prior to certifying or disbursing any FFEL program funds to or for his or her account.

Your institution must also review and resolve any comments on the SAR and retain a copy of the SAR in the student's file. Please refer to Chapter 3 of the *SFA Handbook for Foreign Schools* for instructions in resolving all comments on the SAR prior to certifying a loan application. This handbook is posted at [www.ifap.ed.gov](http://www.ifap.ed.gov). Your institution may be held liable for losses to the Department if it certifies an FFEL loan to an ineligible student based on the institution's failure to obtain or review the student's SAR or ISIR.

A lender or guaranty agency may also request a copy of the SAR from you prior to disbursing loan funds to a student. You must comply with this request. The lenders and guaranty agencies also have student eligibility requirements that must be met and may need this information to complete their process. Students provide the necessary privacy permissions on the FAFSA and FFEL loan application that allow schools, guaranty agencies, lenders and the Department to share this information.

### **Responding to All Requests for Information from Lenders and Guaranty Agencies**

The Department is requiring guaranty agencies to verify student enrollment and eligibility with foreign institutions prior to disbursing FFEL funds to a student, who requests that the FFEL check be sent directly to him or her. In accordance with Department regulations, your institution must use an adequate number of qualified staff, which at the least must consist of one capable individual to administer the FFEL program (34 CFR 668.16(b)), and respond to these requests for information from guaranty agencies. When your institution certifies an FFEL loan application, you must ensure that the institutional contact listed on the application is the individual capable of responding to the guaranty agency when they contact you to verify acceptance for enrollment and eligibility of the student loan borrower. As we have advised you in the past, the individual who is authorized to certify FFEL loan applications for



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

August 2003

THE ASSISTANT SECRETARY

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