1997-98 Title IV Training
Trainee Guide Errata
4/30/97

TG 1-6 **Programs That are One Academic Year or Less in Length as Measured in Clock or Credit Hours, second bullet, third circle** should read: "However, for FFEL and Direct Loans, the second disbursement cannot occur earlier than the calendar midpoint between the first and last scheduled days of classes in the loan period."

TG 1-13 **Exercise box, third sentence of background information** should read: "...30 weeks of *instructional* time..."

TG 1-33 **First bullet under "Banks or Investment Account" section** should read: "Schools must maintain Title IV funds in a bank or investment account that is federally insured or secured by collateral..."

Delete "New Requirement" icon.

TG 1-40 **Third shaded box under Example A** should read: "14 Days After *First Day of Class of Payment Period*.

TG 1-50 **Replace TG text** for this page with the following:

"The requirements under this section include an initial period and a conditional period, and two separate return periods.

Initial Period

The school must return FFEL program funds to a lender if the school does not disburse those funds to a student or parent for a payment period within the following applicable deadline:

1. Ten business days following the date the school receives the funds if the lender provides those funds to the school by Electronic Fund Transfer (EFT) or master check on or after July 1, 1997, but before July 1, 1999; or

2. Three business days following the date the school receives the funds if the lender provides those funds to the school by EFT or master check on or after July 1, 1999; or

3. Thirty calendar days after the school receives the funds if the lender provides by check (paper check) payable to the borrower or copayable to the borrower and the school.

Return Period

If the school does not disburse the loan funds within the applicable disbursement deadline, the school must return those funds to the lender promptly, but no later than ten business days after the date the school is required to disburse those funds.

'*Promptly*' is defined as the period of time it normally takes the school to return those funds to the lender even if that period is less than ten business days. For example, if a school can normally process the return of those funds in three business days, it should do so.

However, if the school finds during the return period that the student is now eligible to receive the loan funds, the school may disburse the funds to the student or parent, rather than return them to the lender, provided that the funds are disbursed prior to the deadline for their return.

Conditional Period

In addition, a school may delay the return of FFEL program funds to a lender provided that the school can meet one of the three following exceptions:

1. A school may delay returning FFEL program funds to a lender for ten business days after the applicable disbursement deadline if the school finds that a student did not complete the required number of clock or credit hours in a preceding payment period, but the school expects the student to complete the required hours within this ten-day period; or

2. A school may delay returning FFEL program funds to a lender for ten business days after the applicable disbursement deadline if the school finds that a student has not meet all the eligibility requirements (such as enrolling for classes on at least a half-time basis, being reinstated in Satisfactory Academic Progress, or completing the entrance interview), but the school expects the student to meet those requirements within this ten-day period; or

3. A school may delay returning FFEL program funds to a lender for thirty calendar days after the applicable disbursement deadline for funds a lender provides by EFT or master check if ED places the school on the reimbursement payment method (for the Federal Pell Grant, Direct Loan, and campus-based programs).

Return Period

If the school does not disburse the loan funds by the deadline for the delay of the return of those funds, the school must return those funds to the lender promptly, but no later than ten business days after the date the school is required to disburse those fund.

'*Promptly*' is again defined as the period of time it normally takes the school to return those funds to the lender even if that period is less than ten business days. For example, if a school can normally process the return of those funds in three business days, it should do so.

However, if the school finds during this return period that the student is now eligible to receive the loan funds, the school may disburse the funds to the student or parent, rather than return them to the lender, provided that the funds are disbursed prior to the deadline for their return.

TG 1-33	**First bullet under "Banks or Investment Account" section** should read: "Schools must maintain Title IV funds in a bank or investment account that is federally insured or secured by collateral..." Delete "New Requirement" icon.
TG 1-52	**Effective Date for use of SEA BBS** (i.e., third box) should read: "*TBA*."
TG 4-26 and 4-27	Delete the section "**Elimination of NDSL Loans Under the Federal Perkins Loan Program**."
TG 4-35	**OH 4-47, fourth bullet** should read: "E-Mail: CSB@*ED.GOV*."
TG 5-5	**First paragraph, second sentence** should read: "...and code *37*... "
TG 5-16	**Third bullet in Base-Year AGI and Taxes Paid/Comments box** should read: "...copies of all Forms W-2, IRS Form *4868* or IRS Notice of Approval..."
TG 6-78	**Institutional Refund Policy description, third sentence** should read: "...student does not return them within *20* days of his or her withdrawal..."
TG 6-97	**Aid Awarded box, last line** should read: "Federal Pell Grant *$450*."
TG 6-127	**Step Two, % Allowed to Retain** should read: "*50*%," **Initial Amount Retained By School** should read: "*$683*," and **Amount Retained** should read "*$683*." **Step Three, Amount Retained** should read: "*$683*" and **Refund Amount To Be Distributed** should read: "*$682*."
TG 8-5	The **aggregate graduate loan limit** should read: "*$138,500 (of which no more than $65,500 may be in subsidized loans)*."
TG 8-48	In the **"$3,500" columns under the "Term-Based Program (Can Use Either SAY or BBAY)" section**, change "Spring 1998" to "Spring *1999*."

AUDITED FINANCIAL STATEMENTS AND COMPLIANCE AUDITS CHANGES IN SUBMISSION REQUIREMENTS AS A RESULT OF NOVEMBER 29, 1996 FINAL REGULATIONS

CURRENT REGULATORY REQUIREMENTS

Audited Financial Statements are due no later than four months after end of institution's fiscal year and cover the period of the fiscal year.

Title IV Compliance Audits are due no later than six months after end of institution's fiscal year and must cover the most recently completed Title IV award year.

NEW REGULATORY REQUIREMENTS

Audited Financial Statements and Title IV Compliance Audits are both due no later than six months after the end of the institution's fiscal year. The compliance audit will include all Title IV transactions that have occurred during the institution's fiscal year.

If a school's fiscal year coincides with the Title IV Award Year (July 1 thru June 30), its compliance audit will generally include transaction from only one Award Year.

If a school's fiscal year does not coincide with the Title IV Award Year (July 1 thru June 30), its compliance audit will include transactions from different Award Years. Note that since an institution must include in each Title IV compliance audit all transactions that have occurred since the period covered by its last submitted audit, such an institution, when submitting its first compliance audit under the revised regulations must submit two separate reports. One report must cover Title IV transactions from the end of the Award Year included in its last submitted audit through the end of the previous fiscal year. The second report would cover all Title IV transactions that occurred during the school's most recent fiscal year.

The Department will accept a financial statement audit and a compliance audit performed by different auditors provided that both audits are conducted on a fiscal year basis and are submitted together as one package.

EXAMPLE A - School's Fiscal Year is January 1 to December 31

	AUDITED FINANCIAL STATEMENTS		TITLE IV COMPLIANCE AUDIT	
School's Fiscal Year	Statements Due	For Period	Audit Due	To Cover Title IV Transactions For[1]
1996 (1/1/96-12/31/96)	4/30/97	1/1/96 thru 12/31/96	6/30/97	Award Year 95-96 (7/1/95 - 6/30/96)
1997 (1/1/97-12/31/97)	6/30/98	1/1/97 thru 12/31/97	6/30/98	7/1/96 thru 12/31/96 1/1/97 thru 12/31/97[2]
1998[3] (1/1/98-12/31/98)	6/30/99	1/1/98 thru 12/31/98	6/30/99	1/1/98 thru 12/31/98

[1]Compliance audits due on or after July 1, 1997 must include all Title IV transactions that have occurred during the school's most recently completed fiscal year. If a school's fiscal year does not coincide with the Title IV Award Year (July 1 thru June 30), its compliance audit will include transaction from two different Award Years.

[2] When an institution submits its first compliance audit under the revised regulations it must include all Title IV transactions that have occurred since the period covered by the last compliance audit submitted. Thus, in this example the institution must submit two separate compliance audit reports, both due on or before June 30, 1998. One report must cover Title IV transactions from July 1, 1996 thru December 31, 1996. This is the period not covered in the previously submitted audit that covered the 1995-96 Award Year. The second report would cover all Title IV transactions that occurred during the school's fiscal year (January 1, 1997 thru December 31, 1998).

[3]Example of requirements for all subsequent years.

EXAMPLE B - School's Fiscal Year is July 1 to June 30

	AUDITED FINANCIAL STATEMENTS		TITLE IV COMPLIANCE AUDIT	
School's Fiscal Year	Statements Due	For Period	Audit Due	To Cover Title IV Transactions For[4]
1995-96 (7/1/95-6/30/96)	10/31/96	7/1/95 thru 6/30/96	12/31/96	7/1/95 to 6/30/96 (Award Year 95-96)
1996-97 (7/1/96-6/30/97)	12/31/97	7/1/96 thru 6/30/97	12/31/97	7/1/96 to 6/30/97 (Award Year 96-97)
1997-98[5] (7/1/97-6/30/98)	12/31/98	7/1/97 thru 6/30/98	12/31/98	7/1/97 to 6/30/98 (Award Year 97-98)

[4] The revised regulations require an institution to include in its compliance audit all transactions that have occurred during the institution's fiscal year. If an institution's fiscal year coincides with the Title IV Award Year, its compliance will generally include transactions for only one Award Year.

[5] Example for all subsequent years.