

# Session 7

## YOUR SCHOOL AND THE FUNDS

Questions we will answer during this session:

**H**ow does a school show institutional eligibility?

**H**ow does a school show financial responsibility?

**W**hat are the main cash management rules a school must follow?

**H**ow does a school show administrative capability?

## How does a school show institutional eligibility?

### ELIGIBLE SCHOOL DEFINITIONS

Institution of  
Higher  
Education

Proprietary  
Institution of  
Higher Education

Postsecondary  
Vocational  
Institution

### ELIGIBLE FOR ALL SFA PROGRAMS

**Control:** A public or private nonprofit educational institution located in a state.

**Control:** A private, for-profit educational institution located in a state.

**Control:** A public or private nonprofit educational institution located in a state.

**Legal authorization:** Is legally authorized by the state where it offers postsecondary education to provide a postsecondary educational program.

**Accreditation:** Is accredited by a nationally recognized accrediting agency or has met the alternative requirements.

**Admissions:** Admits as regular students only persons with a high school diploma or its recognized equivalent, or persons beyond the age of compulsory attendance in the state where the institution is located.

**Program offered:**

Provides

- (1) an associate, baccalaureate, graduate, or professional degree, or
- (2) at least a two-year program that is acceptable for full credit toward a bachelor's degree, or
- (3) at least a one-year training program that leads to a degree or certificate (or other recognized educational credential) and prepares students for gainful employment in a recognized occupation.

**Program offered:**

Must provide training for gainful employment in a recognized occupation, and must meet the criteria of at least one category below.

- (1) Provides at least a 15-week (instructional time) undergraduate program of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours. **May** admit students **without** an associate degree or equivalent.
- (2) Provides at least a 10-week (instructional time) program of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours. Must be a graduate/professional program, or **must** admit only students with an associate degree or equivalent.
- (3) *Short-term Program.* Provides at least a 10-week (instructional time) undergraduate program of 300-599 clock hours. **Must** admit at least some students who do not have an associate degree or equivalent, and must meet specific qualitative standards. **Note: These programs are eligible only for FFEL and Direct Loan participation.**

**Two-year Rule:** Has been legally authorized to give (and has been giving) postsecondary instruction for at least two consecutive years.



All of the following excerpts are from *FSFSA Handbook: Institutional Eligibility and Participation*

## CONTROL AND LEGAL AUTHORIZATION

The “control” of an institution distinguishes whether the school is public or private, nonprofit or for-profit. Under the institutional definitions, an “institution of higher education” or a “postsecondary vocational institution” can be either public or private, but is always nonprofit. A “proprietary institution of higher education” is always a private, for-profit institution.

A nonprofit institution:

- is owned and operated by one or more nonprofit corporations or associations whose net earnings do not benefit any private shareholder or individual,
- is legally authorized to operate as a nonprofit organization by each state in which it is physically located, and
- is determined by the Internal Revenue Service to be eligible for tax-deductible contributions.

## ACCREDITATION

Generally, an institution must be accredited by a nationally recognized accrediting agency to be eligible. The Department has published regulations governing the procedures and criteria for recognizing accrediting agencies. For more information, see the Accreditation regulations (34 CFR Part 602). The Department periodically publishes a list of recognized accrediting bodies in the *Federal Register*, based on criteria given in 34 CFR Part 602. Copies of this list are also available from the:

U.S. Department of Education  
 Accreditation and Eligibility Determination Division  
 600 Independence Ave. SW, Room 3012 (ROB-3)  
 Washington, DC 20202-5244

Information is available on-line at  
<http://www.ed.gov/offices/OPE/pubs/accred>

## ADMISSIONS STANDARDS

An eligible institution may admit as regular students only persons who have a high school diploma or its recognized equivalent, or persons who are beyond the age of compulsory school attendance in the state in which the school is located.

**Regular student** : A person who is enrolled (or is accepted for enrollment) in an eligible program for the purpose of obtaining a degree, certificate, or other recognized educational credential.

Students who are beyond the age of compulsory attendance but who do not have a high school diploma or its recognized equivalent must meet ability-to-benefit criteria to be eligible for aid from the SFA Programs. (For more information on this student eligibility requirement, see *FSFSA Handbook: Student Eligibility* under “Ability to Benefit.”)

## PROGRAM ELIGIBILITY REQUIREMENTS

To qualify as an eligible institution, a school must offer at least one eligible program. As stated previously, not all programs at an eligible institution will necessarily be eligible, but at least one of the programs at the school must meet the eligible program requirements.

Generally, a student must be enrolled in an eligible program to receive SFA funds. Because a school’s eligibility does not necessarily extend to all its programs, the school must ensure that a program is eligible *before* awarding SFA funds to students in that program. The school is ultimately responsible for determining that a program is eligible. In addition to determining that the program meets the eligible program definition, the school should make certain that the program is included under the notice of accreditation from a nationally recognized accrediting agency (unless the agency does not require that particular programs be accredited). The school should also make certain that it is authorized by the appropriate state agency to offer the program (if the state licenses individual programs at postsecondary institutions).

## THE 90/10 RULE (formerly the 85/15 Rule)

To be eligible for SFA participation, a proprietary institution may derive no more than 90% of its revenues from the SFA Programs. As specified in 34 CFR 600.5(d), a school must determine its revenue percentages using the following formula:

SFA Program funds (except SSIG or FWS) used for tuition, fees, and other institutional charges to students

The sum of revenues generated by the school from: (1) tuition, fees, and other institutional charges for students enrolled in eligible programs; plus (2) school activities\* necessary for the education or training of students enrolled in those eligible programs

\*to the extent not included in tuition, fees, and other institutional charges

In determining whether a school satisfies the 90/10 Rule, the totals used in the fraction do *not* include refunds paid to or on behalf of students who have withdrawn, dropped out, been expelled, or otherwise failed to complete the period of enrollment. Charges for books, supplies, and equipment are not included in the fraction unless the amount is part of the tuition, fees, or other institutional charges.

## CORRESPONDENCE COURSE LIMITATION (50% RULE)

An otherwise eligible institution is *not* eligible for SFA Program participation if, during the school's latest complete award year, more than 50% of its *courses* are taught through correspondence.

**Telecommunications Course:** A course offered principally through television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, satellite, or audio or computer conferences. (Includes video courses if students physically attending the school also receive the video course in the same award year.)

**Correspondence Course:** A home study course provided to students who are not physically attending classes at the school; a course that is part residential and part correspondence. (Includes video courses unless students physically in attendance at the school receive the same video instruction in the same award year.)

## Changes Requiring ED Approval

To report a change in...	Use...
Accrediting agency*	Question15
State authorizing agency	Question17
Institutional structure	Question18
Educational programs outside the scope of your current approval	Question26
Addition of non-degree programs outside the scope of your current approval	Question27
Changing from or to clock or credit hours	Question27
Addition of a location	Question30
Federal student financial aid programs for which you are approved**	Question37
<i>For for-profit institutions only</i>	
Type of ownership	Question22
Ownership	Question24

\*Notify us BEFORE making ANY change that deals with your institution-wide accreditation. We will advise you on how to proceed.

\*\*Approvals from your accrediting agency and state authorizing agency are NOT required for this change.



## Changes Not Requiring ED Approval

To report a change in...	Use...
Name of institution <sup>†</sup>	Question 2
Name of CEO/president/chancellor	Question 10
Name of chief fiscal officer/financial officer	Question 11
Principal location–address change only <sup>†</sup>	Question 29
Other locations–address change only <sup>†</sup>	Question 29
Third-party servicers that deal with federal student financial aid	Question 58
<i>For private nonprofit and for-profit institutions (NOT public institutions)</i>	
Board of directors (but NOT trustees)	Question 20
<i>For foreign schools only (including foreign graduate medical schools)</i>	
Postsecondary authorization	Question 42
Degree authorization	Question 43
Program equivalence	Question 44
Program criteria	Question 45
U.S. administrative and/or recruitment offices	Question 46
<i>For foreign graduate medical schools only</i>	
Facility at which you provide graduate medical instruction	Question 47
Authorizing entity	Question 48
Approval of authorizing entity	Question 49
Length of program	Question 50
Programs located in the U.S.	Question 51

<sup>†</sup> As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us copies of the approvals for the change. We expect that within 35 days after we receive all of your information, either we will send you a letter of acknowledgment, or we will ask you to submit a new application.



## Checkpoint #1 – Institutional Eligibility

*Mark “Yes” for each school that would qualify for Title IV based on the information given. Mark “No” for each school that would not qualify for Title IV.*

1) The school offers nothing but correspondence courses.

Yes                       No

2) The school admits students with GEDs.

Yes                       No

3) The school derives 75% of its revenues from Title IV funds.

Yes                       No

4) The school is in its 3<sup>rd</sup> year of offering postsecondary instruction.

Yes                       No

5) The school reports all changes to ED electronically within 30 days.

Yes                       No

# How does a school show financial responsibility?

## Title IV Financial Responsibility Standards

<p><b>All Schools</b></p> <p><i>A school is financially responsible if it meets the following criteria:</i></p> <p>Provides all services described in its official publications and statements*</p> <p>Provides administrative resources necessary to comply with requirements for participating in Title IV programs*</p> <p>Meets all of its financial obligations,* including payment of:</p> <ul style="list-style-type: none"> <li>• required refunds to students, &amp;</li> <li>• liabilities and debts to ED</li> </ul> <p>Is current in paying any institutional debts*</p> <p>Posts an irrevocable cash reserve, acceptable and payable to ED, equal to at least 25% of the total amount of Title IV program funds paid by the school in the previous fiscal year**</p> <p>Does not have as part of its most recent audit report*:</p> <ul style="list-style-type: none"> <li>• a statement expressing substantial doubt of the school's ability to continue as a going concern <i>or</i></li> <li>• a disclaimed or adverse opinion by the accountant</li> </ul> <p>The individual who exercises significant control over the school does not owe a liability for a Title IV program violation, unless the school and the individual owing the liability meet the provisions of 668.15(d)(4)</p> <p>Has not been limited, suspended, or terminated <i>or</i> has not entered into a settlement agreement to resolve a limitation, suspension, or termination</p>	<p>within the preceding 5 years</p> <p>Was not required to repay an amount greater than 5% of Title IV funds received for an award year as a result of findings during its 2 most recent program reviews or audits</p> <p>Was not cited during the preceding 5 years for failure to submit acceptable audit reports in a timely manner</p> <p>Did not fail to resolve satisfactorily any compliance problems identified during a program review or audit</p>	<p>(1) Primary Reserve (2) Equity Ratio (3) Net Income Ratio</p> <p>When totaling the Primary Reserve ratio, include federal HEA funds for purposes of determining the 1.5 score.</p> <p>Schools failing to meet the requirement <i>may</i> still qualify under an alternative standard, including:</p> <p>(1) the Letter of Credit alternative; (2) the Zone alternative</p> <p>See 34 CFR 668.175 for details.</p>
	<p><b>If a For-Profit Institution*</b></p> <p>Totaling a composite score less than 1.5 when considering the following three ratios, described in 34 CFR 668.172.</p> <p>(1) Primary Reserve (2) Equity Ratio (3) Net Income Ratio</p> <p>When totaling the Primary Reserve ratio, include federal HEA funds for purposes of determining the 1.5 score.</p> <p>Schools failing to meet the requirement <i>may</i> still qualify under an alternative standard, including:</p> <p>(1) the Letter of Credit alternative; (2) the Zone alternative</p> <p>See 34 CFR 668.175 for details.</p>	<p><b>If a Public Institution*</b></p> <p><i>(Needs to meet only one of the following)</i></p> <p>Has its liabilities backed by the full faith and credit of the state or other equivalent government entity, <i>or</i></p> <p>Has a positive unrestricted current fund balance, if reporting under the Single Audit Act, <i>or</i></p> <p>Has a positive unrestricted current fund balance in the state's higher education fund as presented in the general purpose financial statements, <i>or</i></p> <p>Submits documentation from the state auditor general that it has met all of its financial obligations during the past year and has sufficient resources to meet all of its financial obligations</p> <p style="text-align: center;">OR</p> <p>Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization</p>
	<p><b>If a Nonprofit Institution*</b></p> <p>Totaling a composite score less than 1.5 when considering the following three ratios, described in 34 CFR 668.172.</p>	

\* A school may be considered financially responsible even if the school fails to meet this standard if the school submits to ED an irrevocable letter of credit of not less than one-half the Title IV program funds received by the school for an award year ~~at~~ the school is able to establish that it has sufficient resources to ensure against its precipitous closure.

\*\* This standard does not apply if the school:

1. is located in a state that has a tuition-recovery plan that is acceptable to ED, and the school contributes to that tuition-recovery fund;
2. has its liabilities backed by the full faith and credit of the state or by an equivalent governmental entity;
3. demonstrates to ED that for each of the two most recently completed fiscal years it has made timely refunds to students and has met all of the financial responsibility standards.

## Maintaining Title IV Funds

### Bank Or Investment Accounts

- F** Schools must maintain Title IV funds in a bank or investment account that is federally insured or secured by collateral of value that is the reasonable equivalent of the amount of those funds.
- F** Schools participating in the Federal Perkins Loan Program must establish and maintain a Federal Perkins Loan Fund.
- F** Federal Perkins Loan Fund must be maintained in an interest-bearing bank account or investment account consisting predominately of low-risk, income-producing securities.
- F** Schools must maintain Federal Pell Grant, campus-based, and Direct Loan Program funds in an interest-bearing or investment account (except Federal Perkins Loan funds) unless the schools:
  - Drew down less than \$3 million in the prior award year and anticipate that they will not draw down more than \$3 million in the current award year;
  - Can demonstrate by their cash management practices that they will not earn more than \$250 on those funds during the award year; or
  - Will use the just-in-time payment method to request Title IV funds.
- F** Schools must identify clearly that Title IV funds are maintained in each bank or investment account that contains Title IV funds. To comply, schools must:
  - Include the phrase “Federal Funds” in each account name; or
  - Notify the bank or investment company of the accounts that contain Title IV funds and retain a record of that notice **and**, unless the school is a public institution, file a UCC-1 statement disclosing that the account contains federal funds.

### Separate Accounts

- F** Schools are no longer required to maintain FFEL Program funds in separate accounts under 34 CFR 682.207(b).
- F** ED may require schools to maintain all Title IV funds, including FFEL Program funds, in a separate bank or investment account containing no other funds if ED determines that schools failed to comply with:
  - Title IV cash management requirements;
  - Title IV recordkeeping and reporting requirements; or
  - Applicable program regulations.

## Maintaining Title IV Funds (cont'd)

### Separate Accounts (cont'd)

**F** If schools are not required to maintain separate accounts and choose not to maintain Title IV funds in separate accounts, they must maintain accounting and internal control systems that identify the:

- Cash balance of each Title IV program included in a school's bank or investment account as readily as if those program funds were maintained in a separate account; and
- Earnings on Title IV program funds maintained in a school's bank or investment account.

### Treatment Of Earnings On Title IV Program Fund Accounts

**F** Schools that maintain Federal Pell Grant, FSEOG, FWS, and Direct Loan Program funds in an interest-bearing or investment account may keep the initial \$250 earned on those funds during an award year. By June 30 of each award year, the schools must remit to ED all earnings that exceed a total of \$250 on those Title IV funds.

**F** For Federal Perkins Loan Program Funds, any interest or income earned on a fund is retained by the schools as part of the fund.

## When Credit Balances Must Be Paid

**No later than 14 calendar days after the first day of class of a payment period if the credit balance occurred *on or before* the first day of that payment period.**

### Example A

Day Credit Balance Occurred	First Day of Classes	14 Days After First Day of Classes of Payment Period
September 5, 1999	September 10, 1999	September 24, 1999

**No later than 14 calendar days after the balance occurred if the credit balance occurred *after* the first day of a payment period.**

### Example B

First Day of Classes	Day Credit Balance Occurred	14 Days After Credit Balance Occurred
September 10, 1999	September 20, 1999	October 4, 1999

**No later than 14 calendar days after the date the student or parent rescinds the authorization for the school to hold funds.**

### Credit Balance Question

On January 2<sup>nd</sup>, Hale University receives \$6,300 of Title IV funds on behalf of Juan, a junior. Juan's tuition and fees total \$5,500. He is living at home and commuting to school. The payment period begins on January 10<sup>th</sup>. Hale U. credits Juan's school account on January 3<sup>rd</sup>.

- 1) What is the amount of the Title IV credit balance? \_\_\_\_\_
- 2) By what date must the school disburse the credit balance to Juan?  
\_\_\_\_\_

## MANAGING CASH MANAGEMENT

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

*The beginning of the payment period at your school is Monday, September 15<sup>th</sup>. Please fill in the dates for the following events:*

- 1) The earliest you can request Pell Grant money is \_\_\_\_\_.
- 2) The earliest you can disburse Pell Grant money is \_\_\_\_\_.
- 3) The date by which you must pay Student A her Title IV credit balance, which occurs on September 13<sup>th</sup>, is \_\_\_\_\_.
- 4) The date by which you must pay Student B his credit balance, which occurs on September 15<sup>th</sup>, is \_\_\_\_\_.
- 5) If you receive your Title IV funds on Friday, September 12<sup>th</sup>, the date by which you must disburse those funds is \_\_\_\_\_.

*Fill in the blanks below:*

- 6) You can request Title IV funds via the Internet using \_\_\_\_\_.
- 7) \_\_\_\_\_ is an additional system used for Pell.
- 8) The most interest on Title IV a school can keep is \_\_\_\_\_ per award year.

## How must a school show administrative capability?

### Title IV Administrative Capability Standards

#### A school is administratively capable if it:

- administers Title IV programs in accordance with all Title IV requirements;
- designates a capable individual to be responsible for administering Title IV programs;
- has adequate staffing for administering Title IV programs;
- communicates to the individual responsible for administering Title IV programs all information that bears on a student's Title IV eligibility;
- has written procedures for administering Title IV programs;
- administers Title IV programs with adequate checks and balances in its system of internal controls;
- divides the functions of authorizing Title IV payments and disbursing/delivering Title IV funds so that the functions are carried out by at least two (2) organizationally independent individuals;
- establishes and maintains required Title IV records;
- for purposes of determining student eligibility for Title IV assistance: establishes, publishes, and applies reasonable standards for measuring whether a student is maintaining satisfactory academic progress in completing his/her educational program;
- develops an adequate system for resolving discrepancies in information related to a student's application for Title IV assistance;
- refers to ED's Office of Inspector General information indicating when an applicant for financial aid, employee, or agent of the school might have engaged in fraud or other criminal misconduct in connection with Title IV programs;
- provides adequate financial aid counseling to Title IV Program applicants;
- submits all required Title IV program reports in a timely manner, including required fiscal reports and financial statements;
- does not demonstrate any significant problems in its ability to administer Title IV programs;
- does not have any individual affiliated with the school who is/has been debarred or suspended or is engaging in any activity that is cause for suspension or debarment under Executive Order 12549 or the Federal Acquisition Regulation;
- for a school that seeks initial participation in a Title IV program: does not have more than 33% of its students withdraw during an academic year;
- has a cohort default rate\* of less than 25% under the Federal Family Education Loan Program and/or Direct Loan Program for each of the three (3) most recent fiscal years and equal to or less than 15% under the Federal Perkins Loan Program; and
- does not appear to lack the ability to administer Title IV programs competently.

\*If a school is determined not to be administratively capable on the basis of this standard only, ED will provisionally certify the school's participation in Title IV programs.

# Financial Aid Calendar

This Financial Aid Calendar was developed to help financial aid administrators identify when deadlines must be met and when they can expect to receive certain items from the U.S. Department of Education (ED).

*The 1999-00 Federal Student Financial Aid Handbook* and regulations provide more specific information.

Keep in mind that regulations governing the federal student financial aid programs are often amended. You will find it necessary to update and revise your calendar as you receive notices of any changes.

Each institution must determine the most effective way to operate its financial aid office. Because schools vary in the size and scope of their financial aid programs, there is no one best way to administer a financial aid office. Nevertheless, due to many requests for guidelines to follow throughout the year, especially from schools that are new to Title IV programs, ED offers the following suggestions.

## **Managing a financial aid office:**

- Provide adequate staff to ensure a proper division of responsibilities.
- Define staff roles.
- Develop and maintain a policies and procedures manual.
- Establish and maintain a file of ED-issued "Dear Colleague" letters.
- Maintain an up-to-date collection of statutory and regulatory requirements for managing Title IV programs.
- Maintain a library of resource materials, including the *Audit Guide*, *The 1999-00 Federal Student Financial Aid Handbook*, and *The Blue Book (Spring '99)*.

## **Staff-related functions:**

- Identify training opportunities, such as those provided by ED and professional associations. Determine staff members from various offices (business office, financial aid office, and so on) who should attend these training workshops.
- Plan for regularly scheduled staff meetings and in-house training.
- Schedule vacations so that appropriate staff members are available during critical periods.

## **Scheduling:**

- Determine due dates for any internal financial aid reports, for reports due to federal and state agencies, and for any scholarship reports.
- Determine specific deadlines your school must meet.
- Coordinate activities with related school offices, such as the admissions office and business office.
- Determine when to develop the upcoming year's financial aid calendar.

## **Audits and self-evaluation:**

- Identify time frames for required audits and any optional self-evaluations.
- Conduct documentation reviews of student files for compliance.

## **Forms and brochures:**

- Review and update all institutional brochures and consumer information regularly. Remember to allow time for printing.

- Request or produce necessary financial aid forms in a timely manner to assure adequate supplies.
- Publish deadlines and priority dates by which applicants must complete and return all student financial aid forms and documentation.

#### **Letters and reminders:**

- Determine dates for mailing out award letters, if applicable.
- Identify dates to send out various types of reminders and notices to students about loan counseling sessions.
- Determine dates for sending any necessary forms or reports to ED.

#### **Arranging interviews and counseling:**

- Schedule group sessions for students interested in financial aid.
- Schedule entrance and exit loan counseling for Federal Perkins, Federal Family Education Loan (FFEL), and Federal Direct Loan borrowers.
- Schedule interviews for verification, when necessary.

#### **Satisfactory academic progress:**

- Determine the borrower's satisfactory academic progress before making each Title IV disbursement (except FWS).
- If necessary, send letters, schedule interviews, and/or determine specific times when appeals will be considered.

#### **Campus-based programs:**

- Update the ED-required lobbying disclosure form quarterly, if necessary.
- Reconcile monthly campus-based fiscal operations.
- Federal Work-Study:

Locate student job positions on campus and off campus, as needed.

Determine times for reconciling FWS payroll.

Coordinate FWS payroll activities (determine who is responsible for placing students, submitting time sheets, and monitoring earnings).

#### **Federal Pell Grants:**

- Determine which staff will create and submit Pell Grant origination and disbursement records to RFMS.
- Amend reporting on expected disbursements, as necessary, for students who have withdrawn or graduated.
- Schedule meetings with the business office to make sure program refunds are made within a 30-day period and that the Student Payment Summary (final report) agrees with the final general ledger and Fiscal Operations Report and Application to Participate (FISAP).
- If disbursement records need to be updated, reconcile internal Pell Grant disbursement records monthly (for example, existing records need corrections because students have withdrawn from school or new Pell Grant recipients need to be reported).

#### **Direct Loans:**

- Reconcile monthly.
- Review error reports.

## JULY\*

- Beginning of new federal student financial aid award year.
- Deadline for institutions to send reallocation forms to ED to release previous year's unexpended balances for campus-based programs.
- ED issues current year's Federal Perkins Loan teaching-service cancellation reimbursements to institutions.
- Schools must report to ED if their percentage of correspondence, incarcerated, or ability-to-benefit students or their correspondence courses exceed applicable limits.

\* Specific dates can vary from year to year.

## AUGUST\*

- The previous year's FISAP in the Federal Perkins Loan, FSEOG, and FWS Programs and drug-free workplace, anti-lobbying, and debarment certification forms are distributed to institutions by ED.
- Deadline for a student undergoing verification to submit a reprocessed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the previous year to the financial aid office.
- ED disseminates the current year directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.
- Federal Perkins Loan participant schools must submit annual Safeguard Activity Reports to maintain eligibility to participate in the Internal Revenue Service (IRS)/ED skip-tracing service.

\* Specific dates can vary from year to year.

## SEPTEMBER\*

- ED publishes Fall Financial Aid Training Calendar.
- Publish and distribute annual institutional security report.
- Suggested date for institutions of higher education (IHEs) to submit drug-prevention certifications to ED, if applicable.
- Last date for upcoming year's electronic FISAP transmission and postmark for signed drug-free workplace, anti-lobbying, and debarment certifications.
- Supplemental allocations for current year's campus-based programs distributed to participating schools.

\* Specific dates can vary from year to year.

## OCTOBER\*

- Upcoming year's FISAP due.
- Deadline for an institution to certify to ED that it has adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.
- Deadline for ED's receipt of the previous year's Paul Douglas Teacher Scholarship Program Performance Report.
- Equity in Athletics Disclosure Act (EADA) report due. (This must be made available to the public, but submission to ED is required only if requested by ED.)

\* Specific dates can vary from year to year.

## NOVEMBER\*

- Upcoming year's Renewal FAFSA and instructions scheduled for distribution to students.
- Upcoming year's Free Application for Federal Student Aid (FAFSA) forms and instructions scheduled for distribution to institutions.
- Institutions receive previous year's FISAP edits and computer printouts.

\* Specific dates can vary from year to year.

## DECEMBER\*

- School receives procedures for appealing campus-based allocations.
- Deadline for transmitting previous year's FISAP corrections and edits to ED.

\* Specific dates can vary from year to year.

## JANUARY\*

- ED publishes Winter Financial Aid Training Calendar.
- Students begin applying for financial aid for the upcoming academic year.
- Institutions applying for participation in one or more of the campus-based programs for the first time in the upcoming year must submit all documents required for determining eligibility to ED's Institutional Participation and Oversight Service (IPOS).

\* Specific dates can vary from year to year.

## FEBRUARY\*

- ED makes the upcoming year's final Pell Grant Payment Schedule available to institutions.
- ED makes the upcoming year's campus-based program funding levels available to institutions.
- Deadline for ED to receive campus-based allocation appeals from schools.

\* Specific dates can vary from year to year.

## MARCH\*

- Final Pell Grant Administrative Cost Allowance payment for previous year mailed to institutions.
- Deadline for institutions to file waiver or appeal of loss of FWS and/or FSEOG on the basis of under utilization.

\* Specific dates can vary from year to year.

## APRIL\*

- Upcoming year's final campus-based allocation letters mailed to institutions.
- ED issues addendum to the upcoming year's directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.

\* Specific dates can vary from year to year.

## MAY\*

- ED publishes Summer Financial Aid Training Calendar.
- Anti-Lobbying Certification forms must be returned to ED by schools with campus-based programs that have allocations exceeding \$100,000.

\* Specific dates can vary from year to year.

## JUNE\*

- Deadline for schools to receive a valid SAR or ISIR.
- Deadline for excess Federal Perkins Loan cash on hand to be returned to ED.
- ED issues approval/denial letters for institutional requests for the upcoming year's waivers of Federal Work-Study and FSEOG institutional share requirements.
- Free Application for Federal Student Aid (FAFSAs) for the current award year must be received by the federal processor.

\* Specific dates can vary from year to year.

## Case Study 1: Gemma Stark

Dave Sutton, the business manager of Winsom Beauty Academy, won the top prize from Publisher's Clearinghouse and cleared out his desk at Winsom giving two hours notice.

George Bright, Winsom's CEO since 1995, was surprised, but he wasn't too concerned about disbursing student aid payments to the new class of 20 students that had just enrolled. The reason: The school's financial aid officer, Gemma Stark, was known to be thoroughly familiar with all of the student aid procedures at the school ( she had been there for 10 years longer than George). He called Gemma to his office and said that he would have to ask her to take on the task of writing student checks, along with working up students' award packages, until Dave could be replaced. George assured Gemma that she would receive a nice bonus for this extra work, and said how glad he was to have someone on the staff who could be trusted to handle all of the important Title IV requirements.

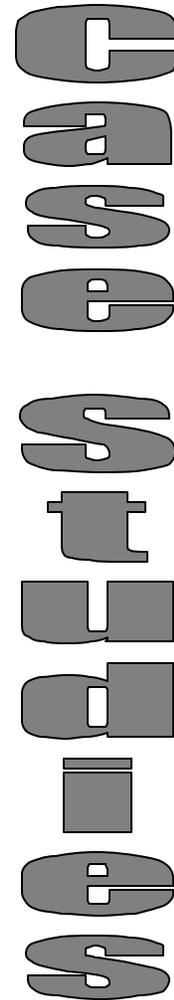
**What should Gemma reply? Why?**

## Case Study 2: Minna Lake

Minna Lake has agreed to try something new after many years of successful cello teaching and assumed the job of student aid counselor at Sterling School of Music. Learning of an ED-sponsored Title IV training workshop in the nearest ED regional-office city (about 300 miles away), she asks Strobe Leight, the school's financial aid director, to approve her travel to the workshop.

Strobe says, "Minna, I just don't see how we can spare you for four days with the backlog of work that's piled up since Sergio left for the Met. You can go to some training later this year."

**Is this a wise decision by Strobe? Why or why not?**

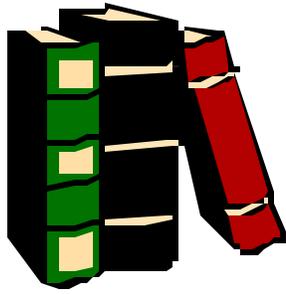


### **Case Study 3: Callie Fahey**

“How disappointing that nice young man turned out to be a crook,” thought Callie Fahey, Frasker Junior College’s financial aid director. Her reaction came after Frank Linn, her counterpart at Sanger Tech, gave her evidence that freshman Jed Hart had used a false name and Social Security number to get Pell Grants at Frasker and Sanger at the same time. “Oh well, he’s apparently left town, so it’s not my problem any more,” she shrugged.

#### **Whose problem is it? Why?**

(Hint: Check the Administrative Capability Chart)



# Resources

## Resources

- ★ *Federal Student Financial Aid Handbook: Institutional Eligibility and Participation*
- ★ 34 CFR 668, Subpart K (668.161-167)
- ★ 34 CFR 668.15, 668.16
- ★ Dear Colleague Letter GEN-97-6 (reporting changes)
- ★ Dear Colleague Letter GEN-97-11 (electronic requirements)

## Questions Regarding Participation???

- Refer to the Help Document on electronic application to participate
- Contact ED' s Institutional Participation and Oversight Service (IPOS) case management team

Region*	Contact	Phone	Fax	Internet
I	Boston	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
II	New York	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
III	Philadelphia	(215) 656-6442	(215) 656-6497	IPOS@ed.gov
IV	Atlanta	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
V	Chicago	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
VI	Dallas	(214) 880-3044	(214) 880-2462	IPOS@ed.gov
VII	Kansas City	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
VIII	Denver	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
IX	San Francisco	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
X	Seattle	(206) 287-1770	(206) 553-0799	IPOS@ed.gov

\* - see next page for regional map

*For change of ownership or structure, or to request initial certification:*

- Contact the Initial Participation Branch at  
 phone - (202) 260-3270  
 fax – (202) 260-3605  
 Internet – IPOS@ed.gov

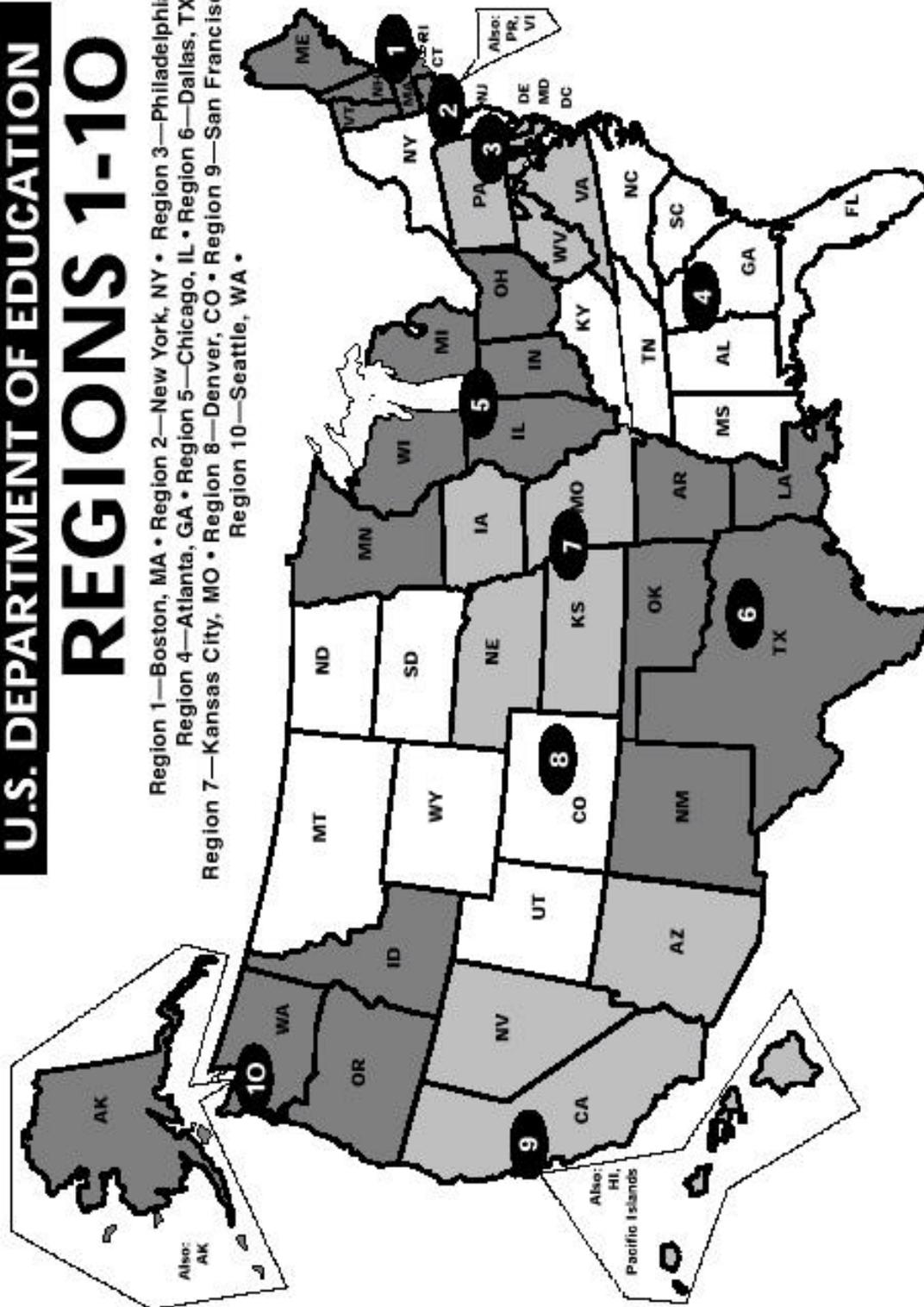
*Assistance for foreign schools:*

- Contact the Foreign School Team at  
 phone – (202) 205-0183  
 fax – (202) 708-9257  
 Internet – IPOS@ed.gov

# U.S. DEPARTMENT OF EDUCATION

## REGIONS 1-10

Region 1—Boston, MA • Region 2—New York, NY • Region 3—Philadelphia, PA •  
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Region 7—Kansas City, MO • Region 8—Denver, CO • Region 9—San Francisco, CA •  
Region 10—Seattle, WA •



## Answer



## Key

### Checkpoint #1: Institutional Eligibility

- 1) No. (only 50% may be correspondence)
- 2) Yes.
- 3) Yes. (up to 90% OK)
- 4) Yes. (at least 2 years)
- 5) No. (10 days)

### Credit Balance Questions

- 1) \$800.
- 2) January 24<sup>th</sup>

### Managing Cash Management

- 1) 9/2
- 2) 9/5
- 3) 9/29
- 4) 9/29
- 5) 9/17
- 6) GAPS
- 7) RFMS
- 8) \$250

### Case Studies

- 1) Consider separation of functions.
- 2) Trainings are vital and worth the time and expense.
- 3) Report fraud to authorities. Everyone who knows is responsible.