The Importance of Title IV Policies and Procedures

Kevin Campbell, Training Officer
United States Department of Education
Requirement

- What regulation requires my school to have a P&P Manual?
  - None
  - The requirement is not for a manual but to have, and implement, the necessary written policies and procedures
    - Requirement is listed in numerous regulations
    - Best practice is to have a manual, hard copy or electronic
A Manual is Important....

• To ensure students are treated equitably
• To provide clear guidelines and standards for students, staff and faculty
• To assist in training and evaluating staff
• To establish institutional history and precedents
• To assist in recovery from loss of paper or electronic files
• To facilitate compliance with federal and state rules
• To document institutional practices for audits and program reviews
Getting Started – FSA Assessments

Information for Financial Aid Professionals (IFAP)

The Information for Financial Aid Professionals (IFAP) Web site consolidates guidance, resources, and information related to the administration and processing of Title IV federal student aid into one online site for use by the entire financial aid community.

The most recent postings to the site are listed below.

Tools for Schools
Click on this box to access online and computer-based training resources.

Publications
Click on this box to access program-related and processing-related publications.

Processing Resources
Click on this box to access program and system processing information and materials.

Hot Topics
- Program Integrity Information - Questions and Answers
- Federal Student Aid Data Center
- Disaster Assistance

Gainful Employment
Links to information for gainful employment

Information Page
450% Direct Subsidized Loan Limit Info
Links to information for 450% Direct Subsidized Loan Limit Info

Letters & Announcements
Policy and operational guidance for participants in the administration of Title IV federal student aid programs

Handbook
Comprehensive annual guide to regulatory and administrative requirements.
Tools for Schools

Federal Student Aid offers online and computer-based training resources to assist in working with Title IV federal student aid programs, software, and systems.

To access these resources, click on the applicable link below.

- COD Computer-Based Training
- Conference Presentations
- EDExpress Online Training (WBT)
- Campus-Based Computer-Based Training
- FAFSA Social Media Tools
- FSA Assessments
- FSA Coach (Web-Based Training)
- ISIR Analysis Tool
- Net Price Calculator
### FSA Assessments

In collaboration with financial aid professionals, Federal Student Aid has designed the FSA Assessments to help schools with compliance and improvement activities. The assessments contain links to applicable laws and regulations. The [FAQ page](#) provides guidance on how to navigate and begin using the FSA Assessments. The [FSA Assessments Chart](#) can help you choose the FSA Assessments to complete.

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### Campus-Based Programs

- **FSEOG**
- **FWS**

**Perkins:**
- Awarding & Disbursement
- Cancellation
- Due Diligence
- Forbearance & Deferment
- Repayment
FSA Assessments

• Structured by compliance area and Title IV program
  • Sample Table of Contents
  • At-A-Glance reference
  • Action Plan
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<td>A Cover Page that can be used when designing your Policies and Procedures Manual.</td>
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## Sample Table of Contents

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<tr>
<td><strong>Introduction and</strong></td>
<td>This section provides an Introduction that is applicable to the entire Guide. Further, Section 1 Covers the Administrative Capability Requirements.</td>
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<tr>
<td>Section 1</td>
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<td><strong>Section 2</strong></td>
<td>This section addresses Institutional Eligibility in regards to application procedures for establishing, re-establishing, maintaining, or expanding institutional eligibility and certification and updating application information.</td>
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<td>Section 3</td>
<td>This section outlines the requirements contained in the General Provisions Regulations.</td>
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<tr>
<td>Section 4</td>
<td>This section covers the requirements of the Federal Perkins Loan Program.</td>
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<td>Section 5</td>
<td>This section addresses the requirements for the FWS and Job Location and Development Program.</td>
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<td>Administrative Capability</td>
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### What assessment is this enhancement item related to?

**Action Item:** (Provide a detailed description of the policy, procedure or system that needs to be improved)

| Offices that need to be involved: |

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**Action Plan:** (Provide a detailed description of your plan of action to improve the above enhancement item)
FSA Assessments

- Each section begins with:
  - Regulatory citation(s)
  - Description of purpose
  - Issues to address
  - Resources and links

- Provided by school:
  - Staff responsible for updates
  - Acronyms to be used
Best P&P Practices

• General institutional information
  • Mission statement, overview of programs and student body
  • Organizational staffing structure
  • Financial aid office structure and number of staff
  • Related policies from other offices
  • Academic calendaring and setting of tuition

• Software and systems information
  • Student Information System (SIS)
  • Financial Aid Management System (FAMS)
Best P&P Practices

• Federal and State aid processing
  • Access to federal systems
    • CPS, COD, NSLDS, G5
  • Fund processing
    • Direct Loans, Perkins Loans, Drawdowns
  • State grant program rosters and fund processing

• Institutional funds
  • Student eligibility
  • Packaging policies
Best P&P Practices

- Entrance and Exit Counseling
  - Description of practices
  - Sample correspondence, notifications, packets
  - Monitoring of student counseling completion

- Fund reconciliation processes
  - Federal and State funds
    - Campus Based Program fund matching
Best P&P Practices

• Who will be responsible for maintaining the manual?
  • One staff member
  • Multiple staff, with assigned portions
  • Review by other offices
  • Review by legal counsel

• How frequently will the manual be updated?
  • Tracking of changes
  • Historical documentation
Best P&P Practices

• How will the manual be kept?
  • Number of copies and distribution
  • Electronic copies
  • Website or intranet
    • Staff access
    • Third-party document sharing tools
  • Consumer Information

• How will staff be made aware of changes?
  • Regular updates
  • As-needed updates
ED Will Ask for P&Ps

- Program Reviews
- Inspector General Audits
- Title IV Compliance Audits Conducted by Your CPA
- Certain School Eligibility Actions
  - Change in Ownership
  - Reinstatement
  - Mergers
  - Initial Certification
  - Recertification

So, this is it?
P&Ps - Eligibility Actions

• Admissions Policy
• Satisfactory Academic Progress (SAP) Policy
• Return of Title IV (R2T4) and Refund Policy
Admissions Policy

• It is a Title IV requirement that a Title IV recipient have a high school diploma, or acceptable equivalent, or be home-schooled or qualify for the Ability to Benefit (ATB) provisions
Admissions Policy

• ED reviews your school’s Admissions Policy to see how you monitor this Title IV requirement
  • HSD required?
  • HSD Equivalents accepted?
    • Which ones?
  • Home schooled OK?
  • ATB allowed?
    • How is ATB conducted?
    • Only applies to “grandfathered” class of students since ATB is no longer generally allowed for Title IV eligibility
  • ATB for Career Pathways students still being studied by ED
Title IV SAP Policy

- Often different from school’s Academic Progress Policy
- Title IV SAP Policy must include
  - A cumulative qualitative measure of student’s work
    - GPA
  - A cumulative quantitative measure of student’s work
    - Establish a maximum timeframe (MTF) for each program
    - Monitor the student’s pace of completion ensuring it is possible to complete in MTF
  - Effect of ESL and remedial courses on progress
Title IV SAP Policy

• Title IV SAP Policy must include
  • How progress is measured if a student changes majors or seeks to earn additional degrees
  • How course repetitions are handled
  • Whether you have appeals for an adverse SAP determination and the procedures for any such appeals
  • Procedures for otherwise re-establishing satisfactory progress
SAP Policy - Language

• Warning – status in which student is automatically placed when failing to meet SAP
  • Only if school monitors SAP each and every payment period
  • Student is notified
  • Can only last one payment period
  • Optional
SAP Policy - Language

- Appeal process whereby student may appeal a negative determination regarding SAP and Title IV eligibility
  - Optional
  - Policy must explain how the appeal process works and what student must do
  - Student must explain why the situation resulting in a lack of SAP has changed
- School has three options if reviewing an appeal
  - Deny
  - Probation for one payment period
  - Academic Plan, if school uses this option
SAP Policy - Language

• Probation
  • Status student is placed in after being granted an appeal
  • If there is no appeal process, there is no probation
  • Can only last for one payment period
  • Requires SAP check at the end of probation even if not checking other students
SAP Policy Options

- Academic Plan
  - Optional
  - Status student is placed in following a successful appeal
  - No appeal process, no academic plan status
  - Academic Plan establishes what student must do in order to retain Title IV eligibility
SAP Policy Options

• Academic Plan
  • May last more than one payment period
  • First payment period of Academic Plan, student is in Probation status
  • Second and subsequent payment periods of the Plan, student is not on Probation and is considered to be making SAP
  • Failing to meet requirements of Plan is = to not making SAP which is = to not being eligible for TIV
These words and phrases (warning, probation and academic plan) have regulatory definitions. Schools must not change those definitions. May differ from School’s Academic Progress Policy and terms it uses.
R2T4 and Refund Policy

• An R2T4 is a recalculation of what the withdrawn student has earned in the Title IV programs
• A Refund is a recalculation of what the school is going to charge the student due to the student’s withdrawal, if anything
  • Some call a paying a credit balance to a student a “refund”, but that is not what is meant here
• R2T4s are calculated using initial charges not the charges that are changed due to a refund
R2t4 and Refund Consumer Info

- The requirements and procedures for officially withdrawing from the school
- Any refund policy with which the school is required to comply for the return of unearned tuition and fees or other refundable portions of costs paid to the school
- A summary of the requirements for the return of FSA grant or loan funds
  - See FSA HB 5-116
R2t4 and Refund Policy

• Establish which of these categories apply to the school
  • Required to take attendance
  • Not required to take attendance
  • Required in some programs and not required in others
  • Required during part of payment period and not required at other times

• How a student’s last date of attendance is determined
  • Schools required to take attendance use attendance records
  • Schools not required to take attendance develop alternate method
Campus Security
Publish and Distribute Campus Security Report

- Publish and distribute by October 1 of each year
- Crime statistics for three most recent years
- Distribute to current employees and students
- Make available to prospective employees and students upon request
- Campus Security HB explains distribution options
- Report your statistics to ED via annual survey
Campus Security Policy Resources

• [http://www2.ed.gov/admins/lead/safety/campus.html](http://www2.ed.gov/admins/lead/safety/campus.html)

• The Handbook for Campus Safety and Security Reporting

• Online tutorial

• FSATC Presentation in December
  • Jim Moore
Professional Judgment
Professional Judgment

- Actions that schools are allowed to perform that alters the eligibility that has been established
- Dependency Overrides
- Modifying elements in the need analysis formula
- Modifying components of the COA
- Refusing to originate a DL
- Acting to make dependent student eligible for unsub DL when parents both refuse to complete FAFSA and refuse to support student in all ways
- Others
Professional Judgment

- Must not have policies establishing groups that will receive PJ or not receive PJ
- Policy must lay out what, if any, PJs will be considered by school
- How the PJs will be determined
  - Must be on a case by case basis
- Process for student to follow
- Documentation
VERIFICATION
Verification

- School Verification selection criteria, if any
- Sample documentation for Verification items
- Process for students to submit info
- Process for updating info
- Process for interim disbursements
- Referral process for grant overpayments
Verification

• Not Verification, but often lumped in with it, is the process for identifying and resolving ANY conflicting information regarding a student

• Crucial to have this policy include all relevant offices at the school

• Other offices must be knowledgeable about this procedure
Audits

"We're going to parachute in and do a surprise audit, but I want to keep the whole thing low key."
Audits Are a Key Component of Institutional Eligibility

- A Title IV Compliance Audit must be performed, generally, on an annual basis.
- Based on school’s FISCAL year.
- Public and non-profits have a compliance audit prepared by an independent CPA following the parameters in OMB Circular A-133.
- For profit schools have a compliance audit prepared by an independent CPA following the parameters in the FSA Audit Guide.
- Must be submitted on-time via ez-Audit.
Audits Are a Key Component of Institutional Eligibility

- A Title IV Financial Statement must be performed, generally, on an annual basis
- Based on school’s FISCAL year
- Public and non-profits have an audited financial statement prepared by an independent CPA following the parameters in OMB Circular A-133
- For profit schools have an audited financial statement prepared by an independent CPA following the parameters in the FSA Audit Guide
- Must be submitted on-time via ez-Audit
Audits Are a Key Component of Institutional Eligibility

- Policies and Procedures must explain how these two requirements will be met annually
- P&P document the school’s fiscal year
- P&P involves other offices, as appropriate
- Submitting these documents late is a huge indicator of impaired administrative capability on the school’s part
  - Six months after end of FY for FSA Audits
  - Nine months after end of FY for A-133 Audits
General Administrative Capability
Administrative Capability P&Ps

• What office and/or individual does what
• How separation of duties is maintained
• In what Title IV programs does the school participate
• What process is followed for administering the programs
  • Financial aid system
• Any awarding philosophies
• How students are awarded
• How documentation is maintained
• How process is reviewed
• How P&Ps are reviewed
Policies and Procedures

• Each policy and/or procedure is a topic
• Too many to discuss here
• Consult the FSA Assessments for a comprehensive look at this very important topic
• Consult the Campus Security Handbook for a comprehensive look at that specific topic
Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

https://s.zoomerang.com/s/KevinCampbell-TX

Survey feedback is a tool to help us improve our training, justify training/travel expenditures and to listen to our customers

Please provide any comments regarding this training or the trainer to:

   Jo Ann Borel, Title IV Training Supervisor   joann.borel@ed.gov
Need Help?

Research and Customer Care Center
800.433.7327
fsa.customer.support@ed.gov

Reach FSA
855.FSA.4FAA  --  1 number to reach 10 contact centers!

Campus Based Call Center  eZ-Audit
COD  School Eligibility Service Group
CPS/SAIG  Foreign Schools Participation Division
NSLDS  Research and Customer Care Center
G5  Nelnet Total & Permanent Disability Team
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Thank You, LASFAA!

Spring Conference
Alexandria, LA
March 26, 2015