

Holly Langer-Evans: My name is Holly Langer-Evans. I am one of your trainers today. And with me is Michael Cagle, your second trainer. We both are very happy to present this session to you which is Session 13, “The FSA Assessments: Find It, Fix It, Enhance It” session.

Any of you gone to Session 10 yet, the “Top Audit and Program Review Finding”? Very good. You might want to go to that, also while you’re here. This session complements that, so I think you will enjoy it.

I have had quite an experience of years in student financial assistance. I started off as a work-study student, graduated, was a special education teacher in the Boston Public Schools for a while. Left there and came back to Boston University in their financial aid office, and moved myself up to senior assistant director. Left to be a director of financial aid at Daniel Webster College, and left there to come to the department. And when I came to the department, I was a program reviewer, and I did that for two years. Program reviewers are not bad people, really. No, really *[laughs]*. I promise.

[Laughter]

And from that, I started working with the quality assurance program, which is a very proactive program which also allows me the opportunity to work on really neat projects, one of them being the FSA assessments. Mike and I both those assessments, and it’s a compliance tool for all schools, and that’s what I’m exciting about sharing with you today.

Mike do you want to give people a little idea of what you do?

Michael Cagle: Yes, **quickly**. Is this on? Hello? Yes.

Holly Langer-Evans: There you go.

Michael Cagle: Just quickly, I have a very similar experience to Holly. I also started as a work-study student, a financial aid office at Gonzaga University in Spoken, Washington, and I moved on to become financial aid counselor through their system there. Also, taught fifth grade for a while, and then moved on the Department of Education. I, too, started out as a program reviewer, but I was a very nice program reviewer.

[Laughter]

And, actually, we're all nice, but I was especially nice. And then I ended up taking the institutional improvement specialist position that they have in all of the comp offices, and many of you have worked with your specialists in your particular regions. And then I move on to work with Holly and the rest of our team in the quality assurance program. So I'm excited to be here.

These tools are very exciting for us because we've been sitting in your chairs before, not necessarily here in Las Vegas, but in different conferences where I was on the school side. And I think you're really going to find some use out of these tools, and I really hope that you'll get some use from what we talk about today, and give us some feedback when we get done as well.

Holly Langer-Evans: Thanks, Mike. We are being filmed today, so I have to speak up here on the podium. Otherwise, I prefer to be down on the floor and actually have more of an eye contact. But, thank you for your patience. So let's see what our training objects are today.

We're going to learn where to locate, review FSA assessments. We're gonna demonstrate three of the assessments with you today a little bit more thoroughly and how you how they're designed. And then we're gonna actually identify, fix, and enhance two compliance issues which are common that we find when we go out and work with schools. So are you ready for that? All right.

How many of you have used the FSA assessments in the past? Wonderful. For those of you who haven't, I can't wait to show you, and for those who have, we have redesigned it, so it may look a little differently to you and we'll point that out when we get there. Mike and I are going to through the slides and then we're gonna go live. We're gonna actually go to the demo and bring it up live and show you the assessments.

We also are out in the PC lab, and if you'd like to come and work on the assessments and ask any questions, we welcome you to do that. That'll be really neat. So let's go to Slide No. 3 which is "Where You Go to Locate the Assessments." You go to Tools for Schools, and you go to IFAP, and Tools for Schools, and then you click on the FSA assessments, and loan origination and behold, there they are. And we like to recommend that you save it as a Favorite, because I'm sure you're going to think it's a Favorite, and you'll find that it's very, very helpful.

And when go to Slide No. 4, this is what the new page looks like.

We have four sections. We have a student sections. We have a school section, a campus-based program section, and an innovation. And you'll say, "Holly, what happened to innovations?" Well, Mike and I are creating new assessments as we speak. We've been working on one for two years, which is a compliance one that's more driven on findings, and we're just trying to get approval from everyone and get that up and operating for you. We've been working on it for the past two years. So when you get something up there, we've been working on it for a while.

So before, you used to see a guide to creating a policies and procedures down there. Well, we moved that up to the school section, which is where it belongs. If there's nothing else that you do today, please remember the guide to creating a policies and procedures. How many of you have a guide? Okay, great, 'cause you're not required to have a guide. You're required to have policies and procedures. Oh, yes, you are *[laughs]*. But we don't say have to have them in a manual. But that is a really good practice.

How many of you are working on one? Oh, I definitely want you to go visit this. It's a template. It's designed to help you through all of the required policies and procedures. In addition, we add good practices. It's all linked to regulations, which is really nice, Dear Colleague letters. So we're gonna go out and actually look at that today, and I'm gonna hopefully get you to say, "Oh, I wanna do that."

One of the other new things that we want you to go see is the consumer information link, 'cause out there we have consumer information at a glance. How many of you are sure that you're really aware of all the changes in consumer information? Mike and I thought we knew all the changes to consumer information until we decided to create this. Mike gets the credit. He did a phenomenal job. It's about 29 pages in length, and it shows you everything that you're required to do for consumer information, and it also links you to activities, where that'll be really, really nice.

Satisfactory academic progress has been updated. We know that's a hot little issue with the changes in SAP. We have updated that for you as well, so I think you might want to go out there and visit. And we have our campus-based programs that used to be called Fiscal. We used to have our managing funds. Well, we put the fiscal piece up by schools, where we think that's more appropriate,

and then we just put all the campus-based programs together, so we just kind of switched it around a little bit. I think it works really, really well, and I hope you like those changes.

So let's talk about the FAQ section of the assessments. If you see that little bold piece up on there, we have a section called FAQ, and that just gives you some general information from a link that shows you how to use the assessments. And in there, we provide you a chart because you might say, "Holly, this is really nice, but why would I use this? Where should I get started using this?" So we decided to build a little chart for you to help you figure out how you might use this. If nothing else, remember what I said, policies and procedures. That is a definite. But let's look at some other ways in which you might wanna use this, and that's on Slide No. 6.

And we created this FSA assessments chart, and you'll see it's three categories. We tell you the reason why you might wanna use it, the assessment that's associated with it, and some options for you to think about. In this particular case, you might have deficient audit. How many of you may have had a deficient audit before, a finding from a deficient audit? Your auditor comes in and he finds something. You're gonna tell me you're all perfect? Really.

[Laughter]

He's not filming you. He's just filming me.

[Laughter]

As good as I thought as I was as a director of financial aid, I did have a couple little things that they found. And one of the things you wanna do is you wanna make sure it's fixed because you might say, "Oh, real quick, I fixed it. It's done," and you forget about it. Well, you wanna make sure that you really looked at the problem. You identified that it's systemic problem. You wanna make sure everybody's trained to make sure it doesn't happen again. And that's what the assessments are all about, and it would tell you, "Okay –" in this particular case, my problem was satisfactory academic progress.

"Let me go out to the satisfactory academic progress assessment, and let me look at the activities there. Let me really make sure everything I think is happening is happening," because you might have a computer program with the registrar that's calculating the GPA. But if a reviewer comes in and looks at the calculation and

there's an error in the computer, are you held responsible? Yes. Should you be looking at that calculation? Yes. So we're making sure that you're doing what it is you need to do, because if we can find it, so can you. All right? You're better at finding your problems than I am. You know your institution better than I do. There's no reason that you're not taking a block of time and looking at it throughout the year and making sure that things are okay, because nothing is worse than having to go back a year, two years, and three years, and fixing a problem and dealing with the financial ramifications, the staffing ramifications.

It's costly, and you're not doing things wrong on purpose. It's just that there's so many things happening and it's really hard to keep on top of everything. So building a mechanism into your operations to look at your compliance on a regular basis is a really good preventative measure that you all should take. So let's go to Slide No. 7 and look at some other things you might wanna look at the assessment for.

Recertification process. Anybody going through the recert process? Okay. This is a great one for you to take a look at. It takes you right through that process and takes you to institutional eligibility which is directly related. Fiscal reconciliation. How many of you – and, again, the machine's not looking at you, or you can think of it in your head and raise your hand – are reconciling monthly? 'Cause you're supposed to be. And if you're not, you wanna make sure that you have a process in place to do that. We have great fiscal worksheets for you to help you with that process.

The program review. How many of you have had a program review? I did. I was on maternity leave at the time, and they made me come back. Thought that was mean. Yes. Did you have findings? And if you had findings, are you sure that they were fixed, and are you sure that you updated your policies and procedures, and are you sure that problem isn't continuing? 'Cause you should always go back a year later and make sure it's working the way you think it is, 'cause that's where people tend to get into trouble. Or if you have no findings, you have no program review findings, you're not going through recert, you don't have any deficient audits, well, where do you start with the assessments. And where did Holly tell you to start? We can say that louder.

Audience: [Inaudible comment]

Holly Langer-Evans: Thank you. 'Cause I'm telling you, policies and procedures is one place a lot of people get into trouble with, because if you say

you're doing something, we're holding you accountable to that. So you want to make sure what you say you're doing is what you're doing, and you wanna make sure it's right, okay? And that's where the policies and procedures assessment will help you. So let's go to Slide No. 8.

So why use the assessments? I think we answered that. Assess compliance. We want to make it easy for you to do that. How many of you easily know where your code of federal regulations are? Oh, good, a couple of you. Yep. And have easy access to the handbook and have easy access to the Dear Colleague letters, which Dear Colleague goes to what. Well, guess what Mike has done for you, bless his heart. He linked all those right in this document. He's a good guy. And it's taken many a days and hours to do that, and it's really, really nice.

My problem always was what regulation number is PJ? What regulation number is verification? Well, when you go in the assessment, it's right there you, and we're actually gonna see that in about three seconds. Let's go to the next slide and take a look. And that's Slide No. 9.

The other quick, too, is we've developed into the assessments an action plan. An action plan is not a requirement from us, but an action plan, a part of the assessment, is if you find something wrong, we want you to have a corrective action plan. We want you to identify that there's a problem. We want a way in which you know how you're going to fix it. We wanna make sure you assign someone to it. 'Cause if you don't assign someone, is it gonna get done? No, it probably isn't. It might, but your chances are pretty slim. So let take a look and see what those assessments look like.

And if you go to Page 9 – and we will go live shortly – the assessments are designed all the same. I call it the walking, talking, code of federal regulations. It's designed exactly like the code of federal regulations. So if you were to open up the master book and you looked at it, you're going to see it falls exactly the same way, except I made it very visual. That's where my educational degree comes in handy 'cause I want it to be a visual that made sense to you.

So we're actually gonna see what that looks like. And because it's one big Web page, the top of the Web page will tell you what it is. In this particular example, it's consumer information. We give you activities, and here, we have a lot of activities. And why do we

have a lot of activity? Consumer info is a huge assessment. There's a lot of regulation. And we have individual activities in there so you can test that particular part of the regulation to make sure you're in compliance. And we'll go on and take a look at a few in a little bit. And then we have additional links related to that topic.

And if you go into Slide No. 10, you're actually going to see the bottom half, and this is where I talk about it being the walking, talking, code of federal regulations. We have three columns – and I'm getting old, so I have to put my glasses on. We have the topic which is consumer information, and then we have a middle column which is the regulatory links, and the third column is the activity. For those of you who used the assessments before, you'll notice this is different. Why did we put the regulatory links in the middle? Well, we put the regulatory links in the middle because it makes it easier for Mike and I to update, 'cause we have to update this and it was becoming a bear to do.

So it's in numeric order, so you'll see on the left-hand side we do give you the regulatory link for the topic area that you would see if you opened the code of federal regulations, and then we linked it in the middle column. So if you see a particular number – let's see for the method of disclosure, 668.4, you'll see that 668.4 is in numerical order in the middle column, so you can scroll over, click on it, and then you can go in and take a look on what's required under that particular topic area.

We do continue to link the Dear Colleague letters in left-hand side. We do any other kind of law, we will keep on the left-hand side. If it's blue, it's linked, all right? That's the best way to remember. And then the activity that's associated with that particular topic is under the activity column as well. So you can go to the activity up above that we just looked at, or you can look at it in this chart, and click on it there. So we provide the activity in two different places. Does that look easy to manage? It really is. It's really, really sweet. So let's go to number 11.

And now what we're going to do is we're going to identify an assessment that we're going to be working on, we're going to figure out how we would complete that assessment. We're gonna find a problem. We're gonna figure out how to complete it. We're going to identify the area that needs to be improved, and how we use these action plan to fix it, and how we would wanna review that annually. Find it. Fix it. Enhance it. All right? 'Cause that's the purpose of the assessments, and you can find it better than we

can, although we're pretty good at finding it if we want to.
[Laughs] No. Let's go to Slide No. 12.

So here we have a scenario. And I'm going to read the scenario so I don't get it wrong, 'cause I can't read it from here. The only time I will read, I promise. In the scenario the school provides the required consumer information disclosures via its website. The school does not provide any notice to students indicating the disclosures are available on the website, and does not provide students with the exact electronic address where the information can be viewed or accessed.

The school colleagues are in disagreement – how many of you have ever been in disagreement with something? Mm-hmm – as to whether providing only the Web address meets the regulatory requirements. So they said, “Okay. Where are we gonna go? Which assessment are we gonna go to?” We were just looking at it. Consumer information. Very good. So we're gonna open up the consumer information, and Slide 13 was what we did. And we're actually gonna go live after Mike does his presentation – yes.

Audience: [Inaudible comment]

Holly Langer-Evans: You can't see it?

Audience: [Inaudible comment]

Michael Cagle: When we get to the live section, I'm gonna enlarge the screen, so you'll be able to see it. Right now we'll –

Gail McLarnon: We'll just go through on the slide, and then when he goes live, he makes it 150 so you'll be able to see it better.

Audience: I fixed it.

Gail McLarnon: Oh, you fixed it. Oh, thank you. Thank you. I owe you one. Thanks, guys.

So here when we're in consumer information on Slide 13, we're going to go into Activity 1, and we're gonna look at the institutional and financial aid information for students. And we're gonna take a look and see what it says. So let's go onto Slide 14. And lo and behold, you'll see the activity is designed. It tells you what's covered in that. And if you look under Method of Disclosure, it's telling you right there that a school must annually

provide a notice directly one-on-one distribution to all students disbursing – I can't even read, Mike.

Michael Cagle: Describe.

Gail McLarnon: Describe – what's that?

Michael Cagle: Describing availability.

[Crosstalk]

Gail McLarnon: You say it, 'cause I can't read – I'm getting blind.

Michael Cagle: Describing the availability of the required consumer information. And the notice has to contain a brief description of the various disclosures and how to obtain the full disclosures. And this the part that was important to the school when they were reviewing it. If a disclosure is posted to a website, the notice must provide the exact electronic address and provide a statement that paper copies are available.

Gail McLarnon: So –

Michael Cagle: That came directly from the regulation, so that's what they found for their scenario.

Gail McLarnon: Thank you, Michael. I appreciate that. Teamwork. So what did they confirm? They confirmed that they have a problem. They need to provide a notice to students, as well as exact electronic address. And they confirmed they were not notifying students that paper copies were available. So now they know there are two things that they have to fix. So the next thing that they're going to do is they want to make sure what does their policies and procedures say. Do their policies and procedures need to be updated, or were the policies and procedures correct, but nobody bothered to read it and make sure that it was being done? Because it doesn't necessarily mean that they didn't know that they needed to do it. Does the right hand know what the left hand is doing? Sometimes it's as simple as that.

So they went to look at their policies and procedures manual, and when they did that, on Slide 15, you'll see how we created the policies and procedures. We actually put what was required there for you. So you could actually use this as a template, or copy and paste it into yours. But when you copy and paste, just remember, you own it. Okay? Just because you put it in there, doesn't make

it okay. You gotta make sure you're doing what you say you're going to be doing. So let's go onto Slide 16.

So now we're going to fix it. So in order to fix it. They're going to take out their corrective action plan. They know that the assessment was consumer information, and they know that the correction action is they need to develop a notice. They know that they have to notify the students, and they have to provide them a hard copy. So they're gonna have to build a team of people, perhaps, to help them 'cause remember, compliance is not a financial aid responsibility only. It's an institutional responsibility.

So you've gotta make sure that you bring all the appropriate people together, so it's a team effort in how we created the students. We didn't expect one person to sit down and do all these assessments in isolation, 'cause you can't do it right. Because you don't necessarily really know what the fiscal office is doing or what the registrar's office is doing, or what student housing is doing, or campus security is doing. You must include them in this process to make sure you get it right because you actually have to test things to make sure that they're happening. So what we do is we would fill out that action plan. And let's see what that would look like on Page 18 of your materials.

Where do you locate the action plan? The action plan is available on each of the assessments or from the homepage of the assessments. So it's really easy to access. Or if you don't wanna use the one that we designed, created your own. Have some mechanism in place to identify it, to know what needs to be fixed, and who's responsible to make sure it's fixed, and who's gonna be a part of making that work. So that's what we did on Page 19. We identified the assessment.

We identified what needed to be fixed as an action item. We'd create a plan to fix it, **by** how are we gonna notify those students. Not only are we gonna notify them, we might need the registrar to help us with that, because are we gonna send out electronic notices to students? And what if they don't have an e-mail address? Then I gotta mail it to them. Or maybe I have to send it to their dorm. And what happens if they're rejected, that they're not getting a delivery?

You have to have a plan to make sure that everybody is getting notified, a system _____ you're gonna need to work with people in your school to make sure that happens. And you need to be able to track that. You have to have some kind of mechanism for that.

Then you have to determine those offices involved, and you need a lead coordinator for it. So when you do the assessments, it's probably gonna be different each time around, or you might have one person – how many of you have somebody that just does quality control in your office, or a compliance officer in your office? So that person's name might be always on there in addition to whoever you assign it to, you lucky folks. So let's go on Page 20, which is the other half of the form.

You want to know if it's near term or a long-term enhancement. Now a near-term enhancement, this would be near term. Why? 'Cause I that's gotta get fixed and it's gotta be fixed now 'cause it's wrong [*laughs*]. So you want it fixed before anybody sees it, and you don't want to wait too long 'cause the longer you wait to fix it, the harder it is to notify the students and to locate them. So it's better to do it right away.

Long-term might be if you find a problem with an analysis that you did last year, and it's the same problem as happening this year. You might have to go back a year and look at the problem and fix it. That might be a long-term enhancement because it's going to take you longer to fix the problem.

Then you have a start date. What's your anticipated date to get it fixed? Why "anticipated" date? Because you need to plan 'cause if you wait too long, if you don't give yourself deadlines, it could just wait all year long and you don't wanna do that. And then you wanna know what the actual completion date is. And then what happened after you did it? Were you successful in getting everything out? Did you get all the notifications? Did you run into any problems? Because when the auditor program reviewer comes, and if there's one that you missed for some chance, you could show them your action plan and say, "Oh, we knew about this. We fixed it. You found one incident," and they'll be, "Oh, okay. You got it done. That's nice. That's a good thing."

And then you want to know did I update my policies and procedures. Don't forget that. It's so important. And make sure you go back and annually check a problem that you identify and make sure that it's done. So let's look at a potential finding. Are you ready? Put you're thinking caps on, another one. In just a few moments, I'm gonna let Mike do that 'cause on Slide 21, let's see what the finding would have been had you not fixed it.

If you had not fixed it and a program reviewer or an auditor found it, you would have probably had what's in the orange bar. It would

been consumer information requirements not met. That would have been your finding. They would have you go back and do exactly what I told you to do. If it was a repeat finding, it is possible you could be fined for that. If, depending on the severity of the problem or the harm of the problem, there can be liability. But in this particular case, I think they would have made you just fix it, unless it was a repeating finding.

The other kind of potential finding you could get under consumer information is crime awareness requirements not met. Those of you who went to Session 10, you know that's a hot button. That's a hot issue. That's one that we find more than we'd like to see. And there's a variety of findings you can have with that because it's pretty lengthy. And the other one is drug abuse prevention requirements not met. That's another finding that you can tend to find when we look at what the program reviewers are writing up in their program review reports. So that kind of gives you an idea of why you would want to look at your consumer in information, and those are the consequences if you don't, and you have something that's wrong.

So preventative medicine is a really, really good thing. And now I'm gonna turn it over to Mike and he's gonna take you through a satisfactory academic progress one. It's all yours, Mike. And thanks for helping me.

Michael Cagle:

All right. Thank you, Holly. Now Holly discussed on a couple of the other slides, we talked about a prior audit finding that a school had, and we looked at the list on Slides 6 and 7 that gave suggested ways to use the _____ assessments. In this particular example, I wanna kinda bring this to your attention because why do you think it's important that we say if you've had a prior audit finding that you should go back and revisit that?

Because if you think about it from this perspective, you have an audit finding, you have a program review find, you normally have a corrective action, and your corrective action, you take corrective action to fix that with the auditor or with the program reviewer. They issue you some type of letter that says it was fixed, and that's great and the finding's closed and your all happy and you go about your business to continue your getting aid to the right students and monitoring your financial aid office.

Well, it doesn't have to stop there. Now, obviously, it's great that that finding was closed, but you need to really have a process in place to periodically go back and take a look at your prior findings,

your prior audit findings, to determine if anything has slipped through the cracks, if your corrective action is still working. If it was a procedural, thing if that procedure is still being followed and implemented. If it was a file review, that you're not somehow doing the same thing that you were doing in the past, because what's gonna happen? If your auditor or program reviewer comes back, it's a repeat finding, that could be an issue. So you really have to be careful with that, and that's really why we have on Slide 6 and 7, we had those suggested ways. And that's why that we have the potential or the audit finding, the prior audit finding is one of the reasons why you should look at a particular assessment.

Which leads me to Slide No. 22, because this is a good example. Now in this particular school, in the example that we're giving here, they actually had some SAP issues in the past. And because of that, they decided that they would take a look at the SAP assessment to see how well they were doing, especially considering that we have some new requirements coming down the pike and they thought this would be a good time for them to take a look at it.

So if you look at Slide 22, this school actually did have a prior auditing finding, like I mentioned. So they're going to review the SAP assessment as well as the policies and procedures related to SAP. And when you look at the scenario on Slide 22, the school annual reviews their SAP once per year, and as you know, you can do it per term. You can do it once per year. You have some choices to make. In this particular example, it's really important for you to remember this because this is related to what happens with this particular school. They only look annually. So once per year, they check SAP.

So what happened is that their SAP policy automatically placed a student on probation. If the student doesn't meet SAP, they get placed on probation and they get a chance to meet SAP. So what they wanna do is they wanna find out if this policy that they have is in compliance with the new regulations for the SAP. And you might think to yourself, "It sounds like it might be in compliance because you can have a probation period." There is a difference. If this school was look at it on a term base, they would be able to financial aid warning.

But because they're not on a term base, they're not checking it per term, they're only checking it once per year, the option does not exist in the new regulations for them to automatically do a financial aid warning. So probation is okay. But let's find out if

it's okay for them to automatically place them on probation. So let's take a look at the assessment on Slide 23, so Holly's gonna move it to Slide 23.

The school will decide to look at a couple things. They're gonna look at the SAP assessment, the Satisfactory Academic Progress Assessment, and they're also going to within that assessment take a look at a couple of links to see if they can find the answer as to whether or not they can automatically place a student on probation. And there's also a link to the policies and procedures related to SAP, and that's great because this is going to help them determine if they need to update their policies and procedures.

So we move onto to Slide 24, and you can see that we still have the school's current scenario for their policy on the left-hand side, so you know what we're looking at. So the first thing we wanna do is we wanna compare the school scenario to the guidance from the department, and there is a link within the SAP assessment that has some questions and answers about the new requirements that we have hyperlinked for you. And so the school clicked on that link, and they're gonna need to determine whether or not they can automatically place their students on probation.

Now if we clicked on that link on Slide 24, you'd see there is question related to probation, and it says, "Under what circumstances would a student be placed on SAP probation?" And it says right there, "A student who fails SAP must successfully appeal to be placed on probation. Probation may not be given automatically. At the end of the payment period on probation, the student must make SAP or must be meeting the requirements of an academic plan." So that was guidance that the department provided to a question that a school had asked with these new regulatory requirements.

So we have a problem here right now that the school's policy in the past it was probably okay for them to do that, because we weren't really clear, and on the old regulations it was okay for them to do that if they had a probationary – does the school have to have a probation? No. But if they choose to have a probationary period, the student must first say they didn't meet SAP, and then they can appeal and then be placed on probation for this particular example. Does that make sense?

Okay. So now we know what they found. So we go onto to Slide 25. So we have determined and we've established that enhancements need to be made, and so the school decided to

review the other link in the right-hand column there, and it was about SAP, and it was related to satisfactory academic progress policy and whether or not they needed to update their policies and procedures related to SAP. And there is a direct link in that right-hand column to Section 1.3 of the guide to creating a policies and procedures manual.

So they used this to help them develop their policies and procedures. And you can see on Slide 25, it's kinda hard to read on the screen up there, but if you have your slides printed out, you can see that it does say exactly what the requirement is under the new regulations for a probationary period, especially in this particular case for a school that checks only once per year.

All right. So now we're on Slide 26, and we get to fix the area that we've identified. Now this one's going to be I think a little bit easier than the consumer information that Holly walked you through, because this one is easy because, because this school only checks SAP once per term, and because they're being proactive, they haven't checked SAP yet. So they're okay to a point, because they're not gonna have to look at individual files, because they haven't done any probation yet. So they can breathe a sigh of relief. But what they can do is path themselves on the back because they found this issue. They were proactive. They found this issue before it became an issue where it affected student files and where it affected perhaps students receiving aid that they weren't eligible to receive under the regulatory requirement.

So we look at the school determined that they needed to look at their SAP policy and to make any compliance with the new regulations. Again, probation isn't automatic. Student appeals shouldn't be given automatically. Probation should be given automatically. The student must first appeal.

What's their corrective action? The corrective action is they're just gonna simply revise their policies and procedures to reflect the requirements to make sure that a student first successfully appeals before they can be placed on probation. And I'm gonna stress this again, because I really think it's important because there is a difference between when you check per term and when you check once per year. And it's really important that since this school only monitors progress annually, at a determination that the student is not making progress that students loses eligibility. And then at that point in time, if there's a probation allowed at that school, the student could appeal and probation could be given if the school believes the student can have that probationary period.

So that's really important to remember because why wouldn't a financial aid warning be applicable here? Because the school does not check SAP per term. They check it only once per academic year. That's important to remember, and I think that's a distinction that's important to make. So the key is that if the school chooses to have an appeal process, the student must first appeal before they can be considered for probation.

All right. Let's go onto Slide 27. Now it's time to do some follow through and enhance our proactive approach. We're being proactive. We've got our little thinking caps on, and we're enhancing our corrective action. So we need to complete that corrective action plan, and the school's gonna use that action plan to help them develop and enhance their policies and procedures to be in compliance with the new regulations. So let's take a look at an action plan for this particular issue on Slide 28.

And, again, as Holly mentioned, all the school, you can locate the action plan. It's pretty easy to find from the main page of each assessment. There's a link to policies and procedures. There's a link to the action plan as well. There's also from the homepage, there's a link to the action plan. So there's two different ways you can get to that link. Again, you're not required to use – if you choose to the FSA assessments, you're not required to use our action plan. But I think you can see the benefits of using some type of action plan for you to do some follow through to make sure that you actually complete what you say you're going to be doing to enhance the issue that you find.

And then, finally, on Slide 29, you can see that we do have an example of what a completed action plan would look like for this particular issue. And you can see that action item is simply the school is gonna need to include an appeal process before the student is allowed to be placed on probation. And the school chose to create an appeals form that students complete in order to be considered for probation. So that's how they're going to resolve that particular issue.

For the plan, they're going to include an appeal process in their policies and procedures. And, again, like I mentioned, since the school caught this earlier enough in the process, they didn't have any students that didn't meet their SAP yet 'cause they haven't check yet. So they're in good shape. They don't have to look at individual files. What would happen if they found this later on, like maybe the beginning of the next term? Then perhaps they

may have to go back to students that they actually gave an automatic appeal to, and they have some issues. They're gonna need to correct on a student-by-student basis. But in this example, they didn't have to do that, 'cause they caught it early enough in the cycle.

Okay. So offices need to be involved? We know the financial aid office is. What other office do you think needs to be involved if it's related to SAP? Pretty given it's the registrar. The registrar on most campuses is normally the office that actually has the official policy for academic progress for a school, although sometimes financial aid might be a little different. It's either the same or stricter than the normal policy. So sometimes the registrar's is probably good office to get involved in this process in changing your policies and procedures.

Okay. And the lead persons to coordinate the action plan. And I'm gonna mention this because I think it's important. It's a good idea to always assign a lead person or people to actually make sure that the action plan is followed through and completed. But does that mean that those two individuals or that individual has to do it all by themselves? By all means, I would hope you say no. Financial aid should always be a team. You should always work as a team, and you should always involve other people to make sure. But the reason why we have those two people that we want to stress to assign, is because we wanna make sure that you at least have somebody that's going to be responsible to ensure that everything is followed through on. But they don't do all the work. They are just the ones that are going to make sure it's implemented.

And then on Slide 30, we know this is a near-term enhancement. And there's no long-term enhancement because there's no file review, because they didn't have to go review files. So it wouldn't take them a little bit longer, so this a near-term enhancement. They could fix it pretty much right away. The school determined that the start date anticipated the completion date, and then it's important to make someone responsible for the task to make sure it does get completed by that particular date.

And then you can see for the final results, the revised policy was updated and published and then shared with students. So the school followed through on that. They updated their policies and procedures and actually put a date in there. What you're gonna find about all of our documents that we have on this site, and I think it's a good opportunity for us to mention this, not only is it

important for you to have a date when you last updated your policies and procedures. It's also important for you to know that we also put dates on our documents so you know when we've last updated them, because sometimes things do change as you know. SAP's a good example. And so we do put dates on there so you have a good idea that we have updated it with whatever the current requirement is because things do change.

Holly Langer-Evans: And, Mike, that suggestion came from schools when we did this session in the past. So we do like to have your feedback. So we were really happy to be able to do that. It was a great idea.

Michael Cagle: Then we can move onto Slide 31. With the consumer information findings that we had, there are a couple of findings that could happen with an auditor or program reviewer related to SAP, and they're both up there on the screen. Satisfactory academic progress, probably not adequately developed or monitored. That's a finding we just averted because we found it and fixed it.

And the second finding didn't happen, but it could have if, perhaps, it wasn't caught until later on in maybe a year or so down the road. So it's a good idea to always go back and annually check Internet.

So would the school be done here? I would say no. I would say that after the first year is done, they should go back and make sure that everybody is understanding what the policy is and everybody is doing what they're supposed to be doing with the appeals form. So go back periodically and check any enhancements that you make.

Okay. On Slide 32, we want to put this up here because on prior slides, we've discussed the policies and procedures manual, and the guide to creating a policies and procedures manual that we have available on our website. We want to stress the importance of a manual. As Holly mentioned earlier, you are not required to keep your policies and procedures in a manual format. You can have 'em electronically or in different sections and different parts of the office, but you're not required to have it in a manual format. However, we think there are many benefits to including it in a manual format, and I think that this particular slide shows you that.

The first thing you see there is accuracy. Have it in a manual format allows you the opportunity to have it in one place and allows you to comply with the regulations because especially if you use the guide to creating a policies and procedures manual that

we have available on our website, you'll see what the exact regulatory requirements are for the particular topic that you're looking at. So it helps you comply with the regulations.

It also helps you update it. Having it in a manual, it's easy to locate and update, and you can revise it annually and revise it as changes occur. It's also available for your staff. Having it in a manual makes it easy for your staff to locate and each of your staff could have copies of it. And even more importantly, when an auditor or program reviewer comes, you can hand them a policies and procedures manual and you don't have to say, "Well, we've got this part of over here. This part over there. And we've got a section here and a section there." So it actually makes it a little bit easier and makes you appear to be more organized, and as you can see on that last part of the little pie there, it helps be organized. So you can pat yourselves on the back because you have an organized manual.

But I think the key is, is that you're required to have policies and procedures. We encourage you to have it in the manual format, but you're not required to do that in manual format.

We provide the policies and procedures manual, the link to the guide to creating a policies and procedures manual for you as a risk criteria. You can either use it to develop policies and procedures and procedures from scratch and say you wanna start all over and just develop a new guide. You can use it for that, or maybe you wanna look just at SAP or maybe you wanna look just at Title IV refunds. You can look at a particular section and just enhance what you've already developed. So there's many different ways you can use that guide.

Okay. Now I'm gonna let Holly come up here, and we're gonna briefly go out live and show you a couple of the cool parts of the FSA assessment. So hold your breath, 'cause here the excitement is.

Holly Langer-Evans: *[Laughs]* While Mike is bringing up the assessments live, how many of you think that you would actually want to go out to look at the assessments? My feelings won't be hurt. Okay, great. 'Cause I think you're going to find that it's very useful and will not be difficult for you to access. And Mike just needs his notebook. Here we are, we're going out. Mike has already gone out to IFAP. How many of you have gone out to IFAP? Should be your best friend. Yes, I hope everyone.

We go out to Tools for Schools. And when you click on Tools for Schools, you'll see FSA assessments. Do you all see that on the Tools for Schools? You click on there and once you do that, loan origination and behold, the assessments pop up. Not hard. You don't need any special codes. You don't need a password. And I don't know why a phone is ringing. And it sounds like mine. I thought I put it on mute. I don't think I have technology down yet.

So what we wanna do is let's go in and take a look at Consumer Information which is found under where? Which is under Schools. So we go under Schools. And when we click under Schools, we go Consumer Information, and we went to Activity 1, if you recall. So let's click on Activity 1, Mike. And we say Open. And depending the browser, will you get that command. And you will see the section that you saw on your slide for Consumer Information where the school knew under its methods of disclosure where it was having a problem. And all that had to do was pull it up and take a look at it and look at the method of disclosure, and there was the answer.

So, Mike, let's go out of that, and let's open up the Consumer Information at a Glance. Throughout our assessments, we have documents called At a Glance, and that is to make it easier for you to see what the requirements are at a glance. We have it in Verification. Consumer Information is another one and this is that wonderful 29-page document that Mike has created that tells you what you're required to do for Consumer Information. It also links you to the activities so if you wanted to look at it more detailed or you wanted to test what you already have, you can do that.

So let's get out of this, Mike, for a second. And let's go in to Satisfactory Academic Progress. So when we go into SAP, that's what you did with Mike, you go into Satisfactory Academic Progress. And you will see that we have Activity 1, which is a worksheet. We often provide you worksheets, similar what a program reviewer would use. So if you see a worksheet, I would use that. Okay? 'Cause that's what a program reviewer will do. They will have their worksheet, and they will randomly select X number of files.

I say randomly select ten. That's typically what a program reviewer does. And when I say "randomly select," I mean randomly select, and look at that particular area where it's Satisfactory Academic Progress, whether it's your Verification, and really, really look at the calculations. Is the computer doing it right? Are you calculating it right? Really look at those ten. Are

ten folders really that hard to look at? It really isn't, especially when you know your procedures.

Sometimes as a reviewer it's harder because we don't know quite how you operate, so it takes us a while. For you, it should be pretty simple. Take those ten files and look at them. And we provide you with those worksheets. But here if you click on Guide to Creating the Policies and Procedures, you remember, we found that on the main page, you can get to a Guide to Creating the Policies and Procedures under Schools, on the main page of the assessment. But we also put it into Satisfactory Academic Progress because we have the section in there we thought you would want to concentrate on. So when you click on it, it will take you to the Satisfactory Academic Progress piece so you can evaluate it and make sure you're doing what you say you're doing.

And here we go. Mike has taken us out there. And when you go out to the policies and procedures, we have a section where we provide you icons, so you can use that, just something new. And we provide you with the different sections that are required. Do you have to use these? No. But when we decided to create a policies and procedures, we wanted to know what would have worked for us. We would we have liked when were back in our office? So we created this for you. Don't have to use it the same we do, but the content's important.

How it looks is up to you, but the content's important 'cause we really went through, when we created this, Mike and I went to the Code of Federal Regulations and I'm being honest. We read that ten times front to back. How many of you can away that? Okay. It was tedious. It was painful. But the result was awesome because we went through that and we looked for any time it said a policy or a procedure was required by the regulation. And then we went through the handbook because Jeff Baker wanted us to make sure went through the handbook where he felt it was the policies and procedures were required as well. And so we have incorporated some of those pieces as well. So we think you have a pretty comprehensive document to help you review one that you already have, or create one.

So, Mike, let's go back out.

Michael Cagle: Click on _____.

Holly Langer-Evans: Oh, Mike wants to look at 668.34, so let's click on it. And what does it do? It takes you out to the regulation.

Michael Cagle: It says it's current as of November 25th, 2011. So we know it's the most current regulation.

Holly Langer-Evans: And if you wanted to look at the past regulation, you can do so over in that left-hand column. So it takes you out to that religion which is really sweet. I hate looking up regs. I like being able to link to the regulation. It's really sweet.

So when we go back out to the assessment, we also have an assessment called Default Prevention and Management. You know that default is a hot issue. Student loan is a hot issue. When Mike and I work on the assessments, we develop what we call a subject matter expert team. We work in teams, too. It is impossible for Mike and I know everything and feel confident to put it up on this website so that you stay out of trouble unless we have the subject matter experts looking at it. So I am humble to tell you I don't know all the technical answers, but I am smart enough to know I need to get my colleagues who do know the answers, a part of the development. That's why sometimes it takes a year or two before you might see something, especially if it's brand new when it's this comprehensive.

So usually it doesn't take that long. Sometimes my ideas are pretty out there and it takes a while for me to convince people that it's a good one. So I know it's good. I just got to convince others. So it's really, really a great thing for us to do.

So we pulled together the folks with default management and we came up with a design that should help with early and late-stage delinquency, the default management plan, and also the default borrower profile templates to help you if you wanna come up with a system or a process to help you bring down your defaults and understand your defaults at your institution. So we developed that for you.

So with that being said, we have ten minutes for questions. So does anyone – we need to bring the mike up front. Oh, that's what was bothering you – blocking. I'm sorry. I'm a little – I didn't get it. I apologize. Do I have any questions about the assessments? Did you enjoy it?

[Laughter]

Great. Did we keep you awake? Yes. Yes. Good.