
Fiscal Procedures & Record Requirements

For information on general fiscal procedures and records requirements for all Student Financial Assistance (SFA) programs, refer to Volume 2 - Institutional Eligibility and Participation, the current edition of the Blue Book, and 34 CFR 668.

FISCAL OPERATIONS REPORT

FISAP Requirement
34 CFR 673.3

As discussed in the Introduction to this Part, a school must submit an application (*Fiscal Operations Report and Application to Participate* [FISAP]) for each award year to receive federal funds under the campus-based programs. The school uses the Fiscal Operations Report portion of the FISAP to report its expenditures under the campus-based programs in the previous award year. All schools are required to file the FISAP data through the electronic FISAP process.

Each July, the U.S. Department of Education provides the electronic FISAP for schools to use in applying for funds for the subsequent award year and in reporting expenditures for the previous award year. Materials essential for the preparation and submission of the *1999-00 Fiscal Operations Report and 2001-02 Application to Participate* will be distributed to schools in July 2000. A school that sends the FISAP to the Department by the October 1, 2000 deadline will receive its tentative 2001-02 funding notifications in a Dear Colleague letter in January 2001. Final 2001-02 funding notifications will be sent to schools in March 2001.

In July 2000, the Department will make available through the SAIG the FISAP packages schools must complete to apply for funds for the 2001-02 award year. Questions concerning the preparation of the FISAP should be referred to Campus-Based Operations at (202) 708-7741 or by fax (202) 205 1919 or by e-mail at CBFOB@ed.gov. Questions about prior-year data listed on a FISAP should be referred to a FISAP Administrator at (877) 801-7168.

FISCAL PROCEDURES

A school must disburse SFA program funds on a payment period basis, with the exception of FWS payments to students. Cash management requirements that apply to all SFA programs are discussed in detail in volume 2. The cash management requirements that apply specifically to each campus-based program are discussed in that program's respective volume.

Records Cites

Perkins Loan Repayment Records
34 CFR 674.19(e)(3)

Records Under Question
34 CFR 668.24(e)(3)

Records Necessary to Enforce Loan Collection
34 CFR 674.19(e)(4)

Format of Records
34 CFR 668.24(d)

CAMPUS-BASED PROGRAM RECORDS

A school must keep financial records that reflect all campus-based program transactions and must keep all records supporting the school's application for campus-based funds. This documentation includes the applications and records of all students who applied for campus-based assistance for a specific award year and were included on the school's FISAP for that award year. The school must also retain applications and records of students who applied for but did not receive aid either because the school had no more funds to award or because the school determined that the student did not need funds. The school must keep general ledger control accounts and related accounts that identify each program transaction and must separate those transactions from all other institutional financial activity. Fiscal records must be reconciled at least monthly.

Recordkeeping requirements as they apply in general to all SFA programs are discussed in volume 2. In addition to meeting those requirements, a school must meet certain campus-based program recordkeeping requirements.

The campus-based records a school must maintain include but are not limited to:

- the *Student Aid Report (SAR)* or *Institutional Student Information Record (ISIR)* used to determine a student's eligibility for campus-based program funds;
- application data submitted to the Department or the school on behalf of the student;
- documentation of the payment of an return of Title IV funds or overpayment to the SFA program fund or the Department;
- documentation of the amount of a Perkins Loan, FSEOG or FWS award, its payment period, and the calculations used to determine the amount of the loan, grant, or FWS award;
- documentation of each FSEOG or Perkins Loan disbursement and the date and amount of each payment of FWS wages;
- documentation of the school's calculation of any refunds or overpayments due to or on behalf of the student and the amount, date, and basis of the school's calculation;
- documentation of the payment of any refund or overpayment to the SFA program fund or the Department;
- information collected at initial and exit loan counseling required by Perkins Loan regulations; and
- reports and forms used by the school in its participation in a campus-based program, and any records needed to verify data that appear in those reports and forms.

For each Perkins Loan borrower, a school must maintain a repayment history. See *Volume 5 - Perkins Loans* for more information.

A school must also follow the procedures established in 34 CFR 675.19 for documenting a student's FWS work, earnings, and payroll transactions. These procedures are discussed in *Volume 6 - Federal Work Study*.

Generally, a school must keep records relating to the school's administration of a campus-based program or the Pell Grant Program for three years after the end of an award year for which the aid was awarded and disbursed under that program, with these exceptions:

- The school must keep the FISAP in the Perkins Loan, FSEOG, and FWS programs and any records necessary to support the data contained in the FISAP, including "income grid information," for three years after the end of the award year in which the FISAP is submitted.
- The school must keep repayment records for Perkins Loans, including records relating to cancellation and deferment requests for at least three years from the date a loan is assigned to the Department, canceled, or repaid.
- Records questioned in an audit or program review must be kept until the questions are resolved or until the end of the retention period applicable to the records, whichever is later.

A school must keep its campus-based program records in one of the following formats:

- Original signed promissory notes and signed repayment schedules for Perkins Loans, National Direct Student Loans (NDSLs), or National Defense Student Loans (Defense Loans) must be kept in a locked fireproof container until the loan is repaid or until the school needs the originals in order to enforce collection of the loan. If a loan is assigned to the Department, the school must send the original promissory note or a certified copy of the note, as well as a copy of the original deferment or cancellation form(s). The school may not send computer-generated form(s) or microform(s). (Refer to volume 5.)
- A school may keep other required records in hard copy or in microform, computer file, optical disk, CD-ROM, or other media formats, but all record information must be retrievable in a coherent hard copy format or in other media formats acceptable to the Department except that (1) a student's SAR or ISIR used to determine eligibility for SFA program funds must be kept in the format in which the school received it, except that the SAR may be kept in an "imaged media format;" and (2) any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of

its information must be kept in its original hard copy or in an imaged media format.

- Any “imaged media format” used to keep required records must be capable of reproducing an accurate, legible, and complete copy of the original document, and, when printed, this copy must be approximately the same size as the original.

ADMINISTRATIVE COST ALLOWANCE

A school participating in the campus-based programs is entitled to an allowance to help offset administrative costs, such as salaries, furniture, travel, supplies, and equipment. The allowance can also be used for service fees that banks charge for maintaining accounts. Computer costs associated with Perkins Loan billing may also be paid from this allowance. Schools may use the allowance to help pay the costs of administering not only the campus-based programs but the Federal Pell Grant Program as well. Administrative costs also cover expenses for carrying out the student consumer information services requirements.

A school may use up to 10 percent of the administrative cost allowance attributable to the school’s FWS Program expenditures to offset expenses incurred for its community service program.

Each school’s administrative cost allowance is based on its expenditures for all three programs, **excluding** the amount of Perkins Loans assigned to the Department.

When a school calculates its administrative cost allowance for the 2000-2001 award year, the school is to include in its calculation the full amount of its FSEOG awards—both the 75-percent federal share and the required 25-percent nonfederal share. However, a school that chooses to provide more than a 25-percent institutional share to FSEOG recipients may not include an FSEOG institutional share in excess of 25-percent in its FISAP or in the calculation of its administrative cost allowance. If the Department has granted a school a waiver of its required institutional share for the FSEOG Program or the FWS Program, that school’s administrative cost allowance may be calculated only on the full federal portion of its awards for those programs.

The school takes the administrative cost allowance out of the annual authorizations the school receives for the FSEOG and FWS programs and from the available cash on hand in its Perkins Loan fund. It is not a separate allowance sent to the school. A school may draw its allowance from any combination of campus-based programs, or it may take the total allowance from only one program provided there are sufficient funds in that program. However, a school may not draw any part of its allowance from a campus-based program unless the school has disbursed funds to students from that program during the award year.

Administrative Cost Allowance (ACA) Calculation

$$\begin{aligned} &5\% \text{ of the first } \$2,750,000 \text{ of a school's expenditures under the campus-based programs} \\ &\quad + \\ &4\% \text{ of expenditures greater than } \$2,750,000 \text{ but less than } \$5,500,000 \text{ under the} \\ &\quad \text{campus-based programs} \\ &\quad + \\ &3\% \text{ of expenditures greater than } \$5,500,000 \text{ under the campus-based programs} \end{aligned}$$

A school may use up to 10 percent of the administrative cost allowance, as calculated above, as attributable to your expenditures under the FWS program to pay the administrative costs of conducting its program of community service. These costs may include:

- 1) Developing mechanisms to assure the academic quality of a student's experience;
- 2) Assuring student access to educational resources, expertise, and supervision necessary to achieve community service objectives; and
- 3) Collaborating with public and private nonprofit agencies and programs assisted under the National and Community Service Act of 1990 in the planning, development, and administration of these programs.

