

This publication is intended for foreign institutions that participate in the U.S. Department of Education’s (Department’s) William D. Ford Federal Direct Loan (Direct Loan) Program.

The *Foreign Schools Handbook* is a supplement to the *Federal Student Aid (FSA) Handbook* and contains information on FSA program requirements that are applicable only to foreign institutions. Foreign institutions must also comply with the FSA program requirements for participation in the Direct Loan Program that are applicable to all institutions—domestic and foreign. These requirements are addressed in the *Federal Student Aid (FSA) Handbook*, the Department’s comprehensive guide to administrative requirements for the FSA programs. The FSA Handbook can be accessed at:

<https://fsapartners.ed.gov/knowledge-center/fsa-handbook>

Requirement to use the Knowledge Center & other electronic processes

New

DCL GEN-04-08
34 CFR 668.16(o)

As foreign institutions do not participate in FSA programs other than the Direct Loan Program, and because foreign institutions are exempt from some requirements applicable to domestic institutions, not all of the guidance in the *FSA Handbook* will apply. To assist in identifying these areas, we have provided guidance on the major sections of the *FSA Handbook* that do not apply to foreign schools in the *FSA Handbook* Crosswalk at the end of this chapter.

The Foreign School Handbook is updated periodically when requirements change, while the FSA Handbook is updated annually. Throughout the year, the U.S. Department of Education provides updates on FSA program requirements and procedures to institutions in the form of Dear Colleague Letters (DCLs), Electronic Announcements, and Federal Register documents. These and other releases are available in the Knowledge Center at fsapartners.ed.gov/knowledge-center.

Knowledge Center Updates

A useful feature in the Knowledge Center is its subscription service, which sends users daily or weekly emails that summarize recent postings to the site. (Go to “Knowledge Center Subscription” on the [Knowledge Center](#) website and select “Subscribe.”)

Institutions are responsible for knowing about all new statutory, regulatory, and procedural requirements for the FSA programs. As part of demonstrating that they are administratively capable to participate in the FSA programs, all institutions are required to access the Knowledge Center to stay up-to-date on this information. The FSA Partner Connect website also has links to all major FSA websites and services and a “Help Center” link that includes contact information for FSA call centers and customer service offices.

The Knowledge Center also includes a Foreign School Information page (<https://fsapartners.ed.gov/knowledge-center/topics/foreign-school-information>) with information specific to a foreign institution’s FSA program participation, including the operational processes for a foreign institution’s handling of FSA program funds (see Foreign

School Direct Loan Setup and Student Aid Internet Gateway (SAIG) Overview and Foreign School Direct Loan Processing), as well as updates for foreign institutions, assessments a foreign institution may perform to evaluate its administration of the Direct Loan Program, and training and conference information.

We appreciate any comments that you have on this Handbook. We revise and clarify the text in response to questions and feedback from the financial aid community, so please contact us at fsaschoolspubs@ed.gov to let us know how to improve the Handbook so that it is always clear and informative.

Questions related to a foreign institution's participation in the Direct Loan Program may be directed to the Department's Foreign Schools Team at fsa.foreign.schools.team@ed.gov or 202-377-3168, mailing address:

U.S. Department of Education mailing address*

New

U.S. Department of Education
Federal Student Aid, School Eligibility Channel
Multi-Regional & Foreign Schools Participation Division
Union Center Plaza
830 First Street, NE
7th Floor
Washington, DC 20202-5340

***Since the COVID-19 pandemic, it has become critical that the majority of questions** related to a foreign institution's participation in the Direct Loan Program be directed to the Department's Foreign Schools Team at fsa.foreign.schools.team@ed.gov.

References

Dear Colleague letters (DCLs) provide additional information on the requirements of the FSA programs and are grouped by the year in which they were published. The year of publication is the first number in the Dear Colleague reference. For example, DCL GEN-04-08 was the eighth Dear Colleague Letter published in 2004. Dear Colleague letters can be accessed at <https://fsapartners.ed.gov/knowledge-center/library/resource-type/Dear%20Colleague%20Letters>.

Electronic Announcements contain system updates and technical guidance and are grouped by the year in which they were published. Electronic Announcement references are the date of publication. Electronic Announcements can be accessed at <https://fsapartners.ed.gov/knowledge-center/library/resource-type/Electronic%20Announcements>.

The Foreign School Handbook and the FSA Handbook also reference U.S. laws (the United States Code) and regulations.

One source for the United States Code is <https://uscode.house.gov/>. Most laws specific to the FSA programs are found under Title 20. United States Code citations list the title, USC (for United States Code), and the section number. For example, 20 USC 1094(c) refers to Title 20 of the United States Code, section 1094(c).

One source for the regulations applicable to the FSA programs is the Electronic Code of Federal Regulations at www.ecfr.gov. Most regulations specific to the FSA programs are found under Title 34, Parts 600-679 and Parts 680-699. Regulatory citations list the title, CFR (for Code of Federal Regulations), and the section number. For example, 34 CFR 600.51 refers to Title 34 of the Code of Federal Regulations, section 600.51. Links to these parts of the regulations can also be accessed through the Knowledge Center under "Laws and Regulations."

New or amended regulations and notices regarding the FSA programs are published in the Federal Register and are available on the Knowledge Center at <https://fsapartners.ed.gov/knowledge-center/library/resource->

[type/Federal%20Registers.](#)

A Notice of Proposed Rulemaking gives notice to the public that the U.S. Department of Education intends to add to or amend regulations and provides the public with an opportunity to comment. Once regulations are published as final regulations, they have the force of law and must be adhered to by institutions, students, and other regulated entities as of the published effective date. Final regulations are added to the Code of Federal Regulations on a regular basis. Citations for Federal Register documents list the volume, FR (for Federal Register), and the page number. For example, 75 FR 67170 refers to Volume 75, page 67170 of the Federal Register. Documents can be found on the Federal Register's website (<https://www.federalregister.gov/>), however, it is easier to use the date of publication to find the document on the Knowledge Center at the link above.

Glossary and acronyms

Terms and acronyms found in the *Foreign Schools Handbook*, the *FSA Handbook*, and other FSA program literature are defined in the *FSA Handbook* glossary at <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/glossary>.

Guidance for interruptions of study related to Coronavirus (COVID-19)

[April 3, 2020 Electronic Announcement](#)

Pursuant to section 3510 of the CARES Act, the Secretary permits any part of an otherwise eligible program at a foreign institution to be offered via distance education, if the applicable government authorities in the country in which the foreign institution is located have declared a public health emergency, major disaster or emergency, or national emergency related to COVID-19. Retroactive to March 1, 2020, institutions may use this flexibility for the duration of such emergency or disaster and the following payment period for purposes of title IV of the HEA. The term "foreign schools" are those institutions located outside of the United States that participate in the Title IV Direct Loan program and award their credentials to U.S. students. This term excludes study-abroad programs in which a foreign institution provides instruction to a student who remains a degree-seeking student from the student's domestic U.S. institution. Students in this category have always been permitted to engage in distance learning.

The Secretary also permits foreign institutions to enter into written arrangements with institutions located in the United States that participate in the Federal Direct Loan Program for the purpose of allowing a student of the foreign institution who is a Federal Direct Loan borrower to take courses from the American institution. For the purpose of this provision, foreign public or nonprofit institutions may only enter into written arrangements with public or nonprofit institutions in the United States. Foreign medical, nursing, and veterinary institutions that are for-profit may enter into written arrangements with U.S. public, nonprofit, or for-profit institutions.

The [August 21 electronic announcement](#) extends the section 3510 provision "for the duration of a national emergency declared by the applicable government authorities in the country in which the foreign institution is located, through the payment period following the payment period or the break between payment periods during which the emergency declaration is lifted." The Department will permit the use of distance education by foreign institutions offering eligible programs for the full period authorized under the CARES Act.

The **Consolidated Appropriations Act of 2022** extended Section 3510 of the CARES act (covering flexibilities for foreign institutions) through the later of the payment period following the end of the qualifying emergency or June 30, 2023.

Guidance applicable to foreign medical schools: Section 600.55(c) requires a foreign graduate medical school having a post-baccalaureate or equivalent medical program that participates in the Federal Direct Loan program to require students accepted for admission who are U.S. citizens, nationals, or permanent residents to have taken the MCAT and to have reported their scores to the foreign graduate medical school.

The Secretary is waiving, for the duration of admissions years in which the COVID-19 national emergency declaration is in effect, the requirement that to participate in the Federal Direct Loan program, a foreign medical school must require students to take the MCAT.

Foreign Schools Handbook Updates for 2022

Introduction

- Updated the FSA Crosswalk to indicate which parts of the FSA Handbook are inapplicable to foreign schools and which parts are supplemented or superseded by information in the Foreign Schools Handbook
- Updated references from IFAP to the Knowledge Center
- Added guidance related to the interruption of studies due to COVID-19

Chapter 1

- Updated the definition of a foreign institution in 34 CFR 600.52. This revised definition allows foreign institutions to enter into written arrangements with eligible institutions or organizations in the United States that provide no more than 25 percent of the courses required by the program.
- Clarified that for purposes of this definition, independent research by a student in the United States for not more than one academic year is permitted if it is conducted during the dissertation phase of a doctoral program under the guidance of faculty, and the research is performed only in a facility in the United States.
- Clarified that if an educational enterprise enrolls students both within the United States and outside the United States, and the number of students who would be eligible to receive title IV, HEA program funds attending locations outside the United States is at least twice the number of students enrolled within the United States, the locations outside the United States must apply to participate as more foreign institutions and must meet all requirements applicable to foreign institutions. For this purpose, an educational enterprise consists of two or more locations offering all or part of an educational program that are directly or indirectly under common ownership.
- Updated the definition of “distance education” in 34 CFR 600.2
- Updated the definition of “correspondence course” in 34 CFR 600.2
- Clarified that notwithstanding the information contained in 34 CFR 668.5, written arrangements between an eligible foreign institution and an ineligible entity are limited to those under which the ineligible entity is an institution that meets the definition of “foreign institution” in 34 CFR 600.52. In addition, the ineligible foreign institution can only provide 25 percent or less of the educational program. Written arrangements do not include affiliation agreements for the provision of clinical training for foreign medical, veterinary, and nursing schools
- Added a chart that explains the different types of written arrangements at foreign schools and the eligibility requirements for each type

Chapter 2

- Provided a reference to the most recently updated Foreign School Audit Guide (updated March 2020)

Chapter 3

- Added definitions of professional degree and graduate or professional student in 34 CFR 668.2
- Clarified that the Secretary is waiving, for the duration of admissions years in which the COVID-19 national emergency declaration is in effect, the requirement that to participate in the Federal Direct Loan program, a foreign medical school must require students to take the MCAT
- Clarified that foreign medical schools that participate in the Federal Direct Loan Program are required under 34 CFR §600.55 to meet requirements that involve calculating and submitting students’ scores on the United States Medical Licensing Examination (USMLE). The scores must be disaggregated by step/test and attempt and must represent the scores earned by students and graduates during the preceding calendar year. Traditionally, these scores were the results of students and graduates completing the USMLE steps which included Step 1, Step 2-Clinical Skills (CS) and Step 2-Clinical Knowledge (CK). In May 2020, the Step 2-CS exam was suspended due to the COVID-19 pandemic. **In January 2021, the National Board of Medical Examiners and the Federation of State Medical Boards, the organizations that oversee the USMLE program, announced that the Step 2-CS exam would be cancelled permanently. The cancellation of the Step 2-CS exam impacts paragraphs (d) and (f) of 34 CFR 600.55**
- Updated the USMLE pass rate requirement
- Updated the copy of the Foreign Medical Schools Consumer Information Form which is used to submit data to the Department

Chapter 4

- Updated the link that provides the Department's Guidelines for Requesting an Acceptability Determination for a Foreign Veterinary Accrediting Agency
- Updated the link to the current list of veterinary organizations evaluated by the Department and the Department's decision regarding the acceptability of the organization for purposes of evaluating veterinary programs for participation in the Direct Loan program

Added Appendix A, which describes the requirements for the consumer information that a foreign school must provide to students, the Department, and others. If an exemption or waiver applies for foreign schools, it is highlighted with a notation that the requirement is waived or exempted.

FSA Handbook Crosswalk

Listed below is the table of contents of the *FSA Handbook* annotated to indicate which parts are inapplicable to foreign schools and which parts are supplemented or superseded by information in the *Foreign Schools Handbook*. Sections that are inapplicable are highlighted and marked as "Not Applicable." Sections that are superseded or supplemented by the *Foreign Schools Handbook* are annotated with "Refer to FSA Handbook."

Application and Verification Guide

- Chapter 1 - The Application Process: FAFSA to ISIR
 - Types of applications
 - Processing the FAFSA Form
 - Output documents: the SAR and ISIR
 - Deadlines
- Chapter 2 - Filling Out the FAFSA Form
 - Step one: General student information
 - Steps two and four: Income and assets
 - Step three: Dependency status
 - Step four: Parent's information (dependent students only)
 - Step five: Independent student data
 - Step six: School information
 - Step seven: Signatures
- Chapter 3 - Expected Family Contribution (EFC)
 - General information
 - Simplified formula
 - Automatic Zero EFC
 - Department of Defense match and Iraq and Afghanistan Service Grant
 - Alternate EFCS
 - The EFC Worksheets
 - Formula A-Dependent Students
 - Formula B- Independent student without dependent other than a spouse
 - Formula C-Independent student with dependents other than a spouse
- Chapter 4 - Verification, Updates, and Corrections
 - Required policies and procedures (Not Applicable)
 - Applications and information to be verified (Not Applicable)
 - Documentation (Not Applicable)
 - Interim disbursements (Not Applicable)
 - Updating information
 - Correcting errors
 - Changes in selected applicant's FAFSA (Not Applicable)

- How to submit corrections and updates
- **Deadlines and failure to submit documentation (Not Applicable)**
- **Suggested verification text (Not Applicable)**
- Chapter 5 - Special Cases
 - Professional Judgment
 - Dependency Overrides
 - Conflicting Information
 - Referral of Fraud Cases
 - Unaccompanied Homeless Youth

Volume 1 - Student Eligibility

- Chapter 1 - School-Determined Requirements
 - Regular student in an eligible program
 - Elementary or secondary enrollment
 - Academic qualifications
 - Satisfactory Academic Progress (Foreign graduate medical schools: Refer to FS Handbook, Chapter 3, Satisfactory academic progress for further guidance)
 - Enrollment status
 - Students convicted of possession or sale of drugs
 - **Incarcerated students (Not Applicable)**
 - Conflicting information
 - Change in eligibility Status
 - Defense of Marriage Act
- Chapter 2 - U.S. Citizenship & Eligible Noncitizens
 - U.S. Citizenship and Eligible Categories
 - U.S. Citizenship match with the SSA
 - Citizens of the Freely Associated States
 - Eligible Noncitizen match with the DHS
 - Third Step Verification (Formerly Form G-845)
 - Eligible Noncitizens and documentation
 - Using the SAVE System for Third Step Verification
 - Documenting immigration status in later award years
 - Replacing lost DHS Documents
 - Examples of U.S. Citizenship and Eligible Noncitizen Documents
- Chapter 3 - NSLDS Financial Aid History
 - NSLDS match
 - Checking the financial aid history for transfer students
 - Effect of Bankruptcy or disability discharge
 - Resolving default status
 - NSLDS loan status codes
- Chapter 4 - Social Security Number
 - Social Security Number (SSN) match
 - Death master file
 - Applicants using same SSN
 - Exception for the Freely Associated States: Micronesia, Marshall Islands, and Palau
- Chapter 5 - Selective Service (Note: effective for 2021-2022 award year, Selective Service confirmation is no longer required)
- Chapter 6 - Eligibility for Specific FSA Programs (**only section on Direct Loans is applicable**)

Volume 2 - School Eligibility and Operations

- Chapter 1 - Institutional Eligibility

- Type and control (Refer to FS Handbook, Chapter 1, Definition of a nonprofit foreign institution for further guidance)
- Basic criteria for eligible institutions (Refer to FS Handbook, Chapter 1, for further guidance on institutional eligibility requirements for foreign schools. Refer to FS Handbook, Chapter 3 for further guidance on additional institutional eligibility requirements for foreign graduate medical schools. Refer to the FS Handbook, Chapter 4 for further guidance on additional institutional eligibility requirements for foreign veterinary schools and foreign nursing schools.)
- Legal authorization by a State (Not Applicable. Refer to FS Handbook Chapter 1, Definition of a foreign institution for information on legal authorization requirements for foreign schools.)
- Accreditation (Not applicable. Refer to the FS Handbook Chapter 3, Accreditation for information on accreditation requirements for foreign graduate medical schools. Refer to the FS Handbook, Chapter 4, Foreign veterinary schools for information on accreditation requirements for foreign veterinary schools.)
- Admissions Standards (Not Applicable. Refer to FS Handbook, Chapter 1, Institutional Eligibility, for information on admission standards for foreign institutions.)
- “Two-year” rule for new proprietary or vocational schools
- Losing eligibility
- Participating in the TEACH Grant program (Not applicable)
- Applying as an eligible nonparticipating school
- Withdrawal rates
- The Program Participation Agreement
- Experimental Sites (Not applicable)

- Chapter 2 - Program Eligibility, Written Arrangements, & Distance Education

- Determining program eligibility
- Basic types of eligible programs (Not Applicable. Refer to FS Handbook, Chapter 1, Eligible programs for information on eligible program requirements for foreign schools. Refer to the FS Handbook, Chapter 3, General eligibility criteria, for information on additional eligible program requirements for foreign graduate medical schools. Refer to the FS Handbook, Chapter 4, for information on additional eligible program requirements for foreign veterinary schools and foreign nursing schools.)
- Programs leading to gainful employment
- Additional eligibility requirements (Not Applicable: Programs for students with intellectual disabilities, Educational programs eligible for TEACH Grants, ESL programs, Competency-based education programs, Flight school programs). Applicable: Apprenticeships, Study-abroad programs (Refer to FS Handbook, Chapter 1, Programs offered in the United States for further guidance)
- Written arrangements between schools (Refer to FS Handbook, Chapter 1, Written arrangements with U.S. Institutions for further guidance)
- Distance education and correspondence study (Not Applicable)
- Determining Program Eligibility and Clock-hour to credit-hour conversions

- Chapter 3 - FSA Administrative & Related Requirements

- Administrative requirements for the financial aid office
- Ownership, employees, and contractors
- Contracts with third party servicers
- Incentive Compensation Prohibition
- Required electronic processes
- Sharing information with NSLDS, Federal loan servicers and guarantors
- Financial Aid History and Transfer Monitoring
- Satisfactory Academic Progress (SAP) (Foreign graduate medical schools: Refer to FS Handbook, Chapter 3, Satisfactory academic progress for further guidance)
- Provisions for U.S. Armed Forces members and families (Not Applicable: In-state tuition for active duty service members and family attending public institutions, Executive Order 13607: Principles of Excellence Applicable:

Readmission of service members)

- Chapter 4 - Audits, Standards, Limitations, & Cohort Default Rates
 - FSA audit requirements for schools (Refer to FS Handbook, Chapter 2 for further guidance)
 - Timing of audit submissions (Refer to FS Handbook, Chapter 2 for further guidance)
 - Standards and Guidelines for FSA audits (Refer to FS Handbook, Chapter 2 for further guidance)
 - 90/10 Revenue Test
 - Audits & audit review process
 - Audits for third-party servicers
 - Financial responsibility (Refer to FS Handbook, Chapter 2, Financial responsibility for foreign public institutions for further guidance)
 - Financial Ratios and Composite Scores
 - Refund Reserve Standards
 - Alternatives to the General Financial Standards
 - Past Performance
 - Student and Course Limitations
 - Cohort default rates
- Chapter 5 - Updating Application Information
 - Recertification (All foreign schools: Refer to FS Handbook, Chapter 1, Periods of certification for further guidance. Foreign graduate medical schools: Refer to FS Handbook, Chapter 3, Application Information for further guidance)
 - Change in ownership
 - Changes in ownership interest and 25% threshold
 - Steps to be taken during a change in ownership
 - Temporary approval for continued participation
 - Pre-Acquisition Review
 - Reporting substantive changes
 - Changes to location, branch, or campus
 - Changes to educational programs
 - **Changes in accreditation (Not Applicable)**
 - Changes to third-party servicers
- Chapter 6 - Consumer Information & School Reporting
 - Availability of Information
 - General student disclosures
 - Completion, graduation, transfer, retention, and placement rates (Foreign schools do not currently report this information because they cannot report to IPEDS. Foreign graduate medical schools: Refer to FS Handbook, Chapter 3, Collection and submission of data for further guidance. Foreign nursing schools: Refer to the FS Handbook, Chapter 4, Foreign nursing schools for further guidance.)
 - **Campus Crime and Safety Information (Not Applicable except for Missing persons procedures)**
 - **Drug and alcohol abuse prevention (Not Applicable)**
 - Information about athletics (Applicable if an institution has an intercollegiate athletic program)
 - **Textbook information (Not Applicable)**
 - Loan counseling
 - Private education loans
 - Misrepresentation
 - Foreign Gifts, Contracts, and Ownership
 - Anti-lobbying provisions
 - **First Amendment Violations (Not Applicable)**
 - **Voter registration (Not Applicable)**
 - Exclusions For Foreign Schools
- Chapter 7 - Recordkeeping, Privacy & Electronic Processes

- Required records
- Record retention periods
- Record maintenance
- Examination of records
- Privacy of student information (FERPA)
- Higher Education Act Data Use Limitations
- The E-Sign ACT and information security
- Preventing copyright violations
- Chapter 8 - Program Reviews, Sanctions, & Closeout
 - Program reviews by the Department
 - Corrective actions and sanctions
 - Closeout procedures (when FSA participation ends)

Volume 3 - Calculating Awards & Packaging

- Chapter 1 - Academic Calendar, Payment Periods & Disbursements
 - Academic year requirements
 - Academic calendars and terms
 - Payment periods
 - Timing of disbursements - general rules
 - **Timing of FSA Grant & Perkins Loan disbursements (Not Applicable)**
 - Retaking coursework in term programs
 - Clock-Hour to Credit Hour Conversion Formula
- Chapter 2 - Cost of Attendance (Budget) (Refer to FS Handbook, Chapter 1, Cost of attendance and fluctuating currency for further guidance)
 - Allowable costs
 - Additional COA considerations (related to Direct Loan eligibility)
 - Costs for periods other than nine months
- **Chapter 3 - Calculating Pell and Iraq & Afghanistan Service Grant Awards (Not Applicable)**
- **Chapter 4 - Calculating TEACH Grants (Not Applicable)**
- Chapter 5 - Direct Loan Periods and Amounts
 - Direct Loan origination
 - Direct Subsidized, Unsubsidized, and PLUS Loans
 - Academic Terms, Loan Periods, & Reporting changes to loan information
 - Resources for schools
 - Sequestration
 - Annual loan limits
 - Monitoring Annual loan limit progression
 - Annual Loan Limit increase based on grade level progression
 - Prorating Annual Loan Limits for Direct subsidized/unsubsidized loans (undergraduate only)
 - Annual Loan Limits for students who transfer or change programs within the same academic year
 - Aggregate loan limits
 - Subsidized Loan eligibility time limitation
 - Managing Direct Loan in modules
 - Enrollment status changes and Direct Loans
 - Resolving inadvertent overborrowing & correcting Direct Subsidized Loan/Direct Unsubsidized Loan awarding errors
- **Chapter 6 - Awarding Campus-Based Aid (Not Applicable)**
- Chapter 7 - Packaging Aid
 - Packaging Overview

- Direct Loan packaging considerations
- Pell Grants as first source of aid (Not Applicable)
- Packaging Rules (as applicable for Direct Loans)
- Estimated Financial Assistance (EFA)
- Packaging aid for children of Iraq & Afghanistan soldiers
- Packaging when choosing not to borrow subsidized or unsubsidized Direct Loans
- Packaging TEACH Grants (Not Applicable)
- Considering grants and subsidized loans first
- FSEOG & Pell LEU (Not Applicable)
- Substituting for the EFC
- Recalculation
- Crossover periods
- Packaging Veterans Benefits, AmeriCorps, Vocational Rehabilitation funds and BIA Grants
- Treatment of overawards
- Appendix A—Federal education benefits to be excluded from EFA as listed in section 480 (C) of the Higher Education Act

Volume 4 - Processing Aid and Managing Federal Student Aid Funds

- Chapter 1 - Requesting and Managing FSA Funds
 - Purpose of cash management regulations
 - EDCAPS and G5
 - Award periods
 - Drawing down FSA funds
 - Maintaining and Accounting for Funds (Refer to FS Handbook, Chapter 1 Cash management requirements for further guidance)
 - Separate depository account (Refer to FS Handbook, Chapter 1 Cash management requirements for further guidance)
 - Excess cash
 - Administrative Cost Allowance (ACA) (Not Applicable)
 - A school's fiduciary responsibility
 - Garnishment of FSA funds is prohibited
 - FWS wages (Not Applicable)
 - Escheating of FSA funds is prohibited
- Chapter 2 - Disbursing FSA Funds
 - Notifications
 - Authorizations
 - Institutional charges
 - Paying institutional charges
 - Checking eligibility at the time of disbursement
 - Time frames for paying FSA funds
 - Early disbursements
 - Retroactive payments
 - Late disbursements
 - Disbursing FWS wages (Not Applicable)
 - Method of disbursement
 - Title IV credit balances
 - Paying Title IV credit balances (Refer to FS Handbook, Chapter 1, Cash management requirements and Currency used for credit balances for further guidance)
 - Time frame for returning an unclaimed Title IV credit balance

- Holding Title IV credit balances
- Third-party servicers disbursing Credit balances by EFT
- Tier One and Tier Two Arrangements (Not Applicable)
- School-issued stored-value cards with no third-party involvement
- Chapter 3 - Overawards and Overpayments
 - Overawards
 - When a student fails to begin attendance
 - Treatment of Overpayments
 - Reporting overpayments to NSLDS
 - Referring overpayments (Not Applicable)
- Chapter 4 - Returning FSA Funds
 - Returning FSA funds (Refer to FS Handbook, Chapter 1, Returning loan funds for further guidance)
 - When funds are considered to have been Returned
 - Returning funds from an audit or program review
 - Downward adjustment of FSA Grant disbursement records and Direct Loan disbursement records required
 - Returning Direct Loan funds
 - Returning Pell Grant and Campus-Based funds (Not Applicable)
 - Returning Perkins Loan Program funds to the Department (Not Applicable)
 - Returning funds through G5 for both open and closed awards
 - Returning funds from FFEL loans purchased/serviced by the Department
- Chapter 5 - Reconciliation in the Pell Grant and Campus-Based Programs (Not Applicable)
- Chapter 6 - Reconciliation in the Direct Loan Program
 - Overview of Direct Loan reconciliation
 - Types of Direct Loan reconciliation
 - The school account statement
 - Working with the SAS
 - Loan disbursement detail
 - Other tools and reports for Direct Loan reconciliation
 - Best practices for reconciliation
 - Summary
 - Appendix A - Accounting Systems
 - Appendix B - A school's financial management systems

Volume 5 - Withdrawals and the Return of Title IV Funds (Applicable except for section on verification. Refer to FS Handbook, Chapter 1, Returning loan funds for further guidance on returning funds.)

Volume 6 - The Campus-Based Programs (Not Applicable)

Appendices:

- **Appendix A** provides a directory of resources for technical information and specialized assistance with managing the federal student aid programs
- **Appendix B** provides in one place information found in other parts of the Handbook and in previous sub-regulatory communications on how a school should proceed when a currently enrolled recipient of federal student aid dies before completing the period for which the student received aid.
- **Appendix C** is a description of the FSA Assessments. It covers all FSA Assessments currently available including those that might be of interest to fiscal officers.
- **Appendix D** summarizes Internal Revenue Service (IRS) forms that might be of special interest to a fiscal/business office.
- **Appendix E** is a summary of the reporting and disclosure requirements for schools' eligibility to participate in the

Title IV, Higher Education Act (HEA) student assistance programs.

- **Appendix F** is a table of contents for the HEA and a crosswalk between the HEA and the U.S. Code.