**A Guide to Creating a Policies and Procedures Manual**

**(Updated for 2020-2021 Award Year requirements)**

The guide is designed to assist institutions in documenting policies and procedures related to the Title IV programs as required by federal regulations. It has been designed to help a school understand the minimum general statutory and regulatory requirements.

Federal regulations require schools to have written policies and procedures for the administration of the Title IV student assistance programs; however a manual is not required. Experience shows that having a manual will assist schools in implementing and adhering to established procedures, as well as routinely reviewing and updating them. A manual may also streamline audit and program review experiences. It is a tool to assist schools in being good stewards in the administration of the Title IV programs and the delivery of dollars and services to students.

To assist your school with revising or creating a policies and procedures manual, we recommend that you begin with these sections first. These areas are typically requested prior to a program review:

Satisfactory Academic Progress (SAP) (Section 1.3)  
Admissions (Sections 2.3 and 3.10)  
Refunds (Section 8.3)  
Return of Title IV Funds (Section 3.2)

Consumer Information (Section 3.4)

Verification (Section 3.5)

FWS Selection and Awarding of Students (Section 5.1)

FSEOG Selection and Awarding of Students (Section 6.1)

Check and Balances (Section 1.2)

Schools Financial Management Systems (Section 1.5)

Default Prevention and Management Exit and Entrance Counseling (Section 8.2 )

Drug and Alcohol Prevention (Section 3)

Clery/Campus Security Act (Section 3)

When using this guide, consider the following:

Start creating a policies and procedures manual or cross-reference your answers to a manual that you already have developed.

Use the icons provided in this guide or establish your own to assist in developing your own style.

Establish a team with members from all appropriate offices to assist in the writing and review of procedures.

Include a comprehensive calendar of activities related to student aid delivery, including dates and deadlines for students.

Develop a schedule to test, review and update your manual. Remember to inform staff of this schedule.

Train your staff on the procedures – existing ones as well as those revised or newly developed.

**Disclaimer: This document has been prepared to provide schools with basic guidance to develop policies and procedures. However, it should not be assumed that this document is all-inclusive. For a more complete explanation of specific program requirements, your school should refer to the applicable statutes, regulations, and the Federal Student Aid Handbook. It is the school’s responsibility to ensure that all Title IV requirements outlined in the Law and regulations are met.**

**Table of Contents**

**Institutional Overview**

**Section 1: Administrative Capability**

1.1 Adequate number of qualified person(s) to administer   
the Title IV Programs

1.2 Adequate Checks and Balances

1.3 Satisfactory Academic Progress

1.4 Conflicting Data

1.5 Fiscal & Cash Management

1.6 Financial Aid Counseling

**Section 2: Institutional Eligibility**

* 1. General Requirements
  2. Updating Application Information
  3. Admission Policy for Public or Private Nonprofit educational   
     institution, Proprietary Institution of higher education, and   
     Postsecondary Vocational Institution
  4. State Authorization

**Section 3: General Provisions**

* 1. Certification
  2. Title IV Refunds
  3. Compliance Audits and Audited Financial Statements
  4. Consumer Information
  5. Verification
  6. Professional Judgment & Dependency Overrides
  7. Misrepresentation
  8. Documentation
  9. Secondary Confirmation
  10. Ability to Benefit

**Section 4: Federal Perkins Loan Program**

* 1. Fiscal Procedures and Records
  2. Forbearance and Deferment
  3. Contact with Borrowers
  4. Billing
  5. Collection
  6. Litigation
  7. Cancellation

**Section 5: Federal Work-Study Program and Job Location   
and Development Program**

* 1. Selection and Awarding of Students
  2. Assigning FWS Jobs
  3. FWS Fiscal Procedures and Records
  4. Job Location and Development (JLD) Procedures   
     and Records
  5. Work Colleges Program Procedures and Records

**Section 6: Federal Supplemental Educational Opportunity Grant (FSEOG) Program**

* 1. Selection and Awarding of Students
  2. FSEOG Fiscal Procedures and Records

**Section 7: Federal Pell Grant Program**

* 1. Calculating Federal Pell Grant Awards
  2. Federal Pell Grant required and optional recalculations
  3. Fiscal records and disbursement requirements for Pell Grants
  4. Disbursement For Books & Supplies
  5. Iraq and Afghanistan Service Grant Program

**Section 8: Federal Direct Loan Program**

* 1. Borrower Eligibility for Federal Direct Loan/PLUS
  2. Counseling Borrowers
  3. Payment of a Refund or Return of Title IV
  4. Administrative and Fiscal Control

**Section 9: TEACH Grant**

* 1. Eligibility Determination
  2. Counseling
  3. Recalculation of TEACH Grant award amounts
  4. Fiscal Control and fund accounting
  5. Institutional reporting requirements

**Appendix A: Acronyms and Common Terms**

**Appendix B: Example of a completed policy and procedure**

**Appendix C: Policies and Procedures At A Glance**

**Appendix D: COVID-19 2020-2021 Guidance**

**Helpful hints for using this guide:**

* *How to add information or use the check boxes* **– in order to add information or to use the check boxes, you must right-click on the blank box or the check box and then click properties. From there you can check the boxes or fill in the information you would like. This process may be different depending upon the version of Microsoft Word you use, but right-clicking should allow you to use this function.**

**Icon Definition**

**Icons are a useful way of designating categories of information.   
The following icons have been developed for use with your policies and procedures.**

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|  | **Good Practice**  Good Practice suggestion. However, if you commit to a good practice you must ensure it is followed. |
|  | **Tip**  Suggestions for handling a form or procedures efficiently |
|  | **Help**  Points the reader to helpful information |
|  | **Policy**  Briefly states or refers reader to specific policy  documents available in other offices |
|  | **Important**  A critical piece of information that, if overlooked, could result in an error |
|  | **Exception**  A way of doing something that is an exception to  the general rule and why it is an exception |
|  | **Definition**  Explain terms |
|  | **Checklist**  A checklist that the user can follow to complete  a task |
|  | **Example**  A specific example of an activity, a document, etc. |
|  | **New**  Highlights something new |

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**Institutional Overview**

**(Good Practice Suggestion)**

An institutional overview provides information specific to your institution that provides colleagues with an understanding of your financial aid operations.

**Name of Institution:**

**OPE ID:**

*Suggested information:*

1. **School and its mission, number of students receiving Financial Aid, and its philosophies.**
2. **Information pertaining to your school that is unique and may   
   require explanation.**

**Calendar of Activities**

*Suggested information:*

* Include a calendar of all financial aid activities. The calendar should include an explanation of activities for each month of the year. Be sure to include activities that may involve other offices and list those offices.

**Sample of all Forms and Materials used by the school**

*Suggested information:*

* Include copies of all application forms used by the school. Some examples of forms that could be included are: Admissions Applications, FAFSAs, Applications for institutional scholarships or grants, ISIR Records, Loan Applications, Verification Documents (Verification Worksheets, etc), SAP Appeals Forms, Professional Judgment Forms, and any other forms the school uses in determining a student’s eligibility.
* Include an explanation of where to locate Handbooks, Catalogs etc …

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| **Section 1** |

**Policy: Administrative Capability**

**Regulation:** [**668.16**](https://www.ecfr.gov/cgi-bin/text-idx?SID=66907ff623c4cd4b40dbe2b700301feb&mc=true&node=se34.3.668_116&rgn=div8)**;** [**668.34**](https://www.ecfr.gov/cgi-bin/text-idx?SID=66907ff623c4cd4b40dbe2b700301feb&mc=true&node=se34.3.668_134&rgn=div8)

**Purpose:** Document the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA program assistance, and the preparation and submission of reports to the Secretary.

**Scope: Specifically Address**

1.1 Adequate number of qualified person(s) to administer   
the Title IV Programs

1.2 Adequate Checks and Balances

1.3 Satisfactory Academic Progress

1.4 Conflicting Data

1.5 Fiscal Reports and Financial Statements

1.6 Financial Aid Counseling

**Responsibilities:**

**(Identify individuals and/or offices responsible for developing and updating this section)**

**Definitions:**

**(Identify acronymns or definitions that will be used in this section)**

**Resources available to assist in the development of a manual:**

Conflicting Data Activity #1 in the FSA Verification Assessment.

<https://ifap.ed.gov/sites/default/files/attachments/2021-02/Activity1verif2021.doc>

Satisfactory Academic Progress (SAP) Assessment.

[https://ifap.ed.gov/fsa-assessments/satisfactory-academic-progress](https://ifap.ed.gov/fsa-assessments/02-27-2019-satisfactory-academic-progress)

[Program Integrity Questions & Answers - Satisfactory Academic Progress](https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/sap.html)

[Default Prevention Resource Information Webpage](https://ifap.ed.gov/default-prevention-resource-information)

Review the [2020-2021 FSA Handbook](https://ifap.ed.gov/ilibrary/document-types/federal-student-aid-handbook?award_year=2020-2021&) (Application and Verification Guide, Volumes 1, 2 and

4) for guidance related to the topics in this section

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| **Part 1.1** | **Adequate Staffing Procedure** | This section is required [**668.16(b)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_116&rgn=div8) |

1. **List the offices involved in approving and disbursing Title IV Aid. Provide a short description of each office as indicated (If other offices are involved at your school and are not listed below, include descriptions of those offices as well):**

**Academic or Education Personnel/Registrar:**

**Employee job duties and staff functions**

**Institutional communication (how the Registrar communicates with other institutional offices)**

**Admissions Personnel:**

**Employee job duties and staff functions**

**Institutional Communication (how the Admissions Office communicates with other institutional offices)**

**Financial Aid Personnel:**

**Employee job duties and staff functions**

**Institutional Communication (how the Financial Aid Office communicates with other institutional offices)**

**Fiscal Office Personnel:**

**Employee job duties and staff functions**

**Institutional Communication (how the Fiscal Office communicates with other institutional offices)**

**Placement Officer Personnel:**

**Employee job duties and staff functions**

**Institutional Communication (how the Placement Office communicates with other institutional offices)**

**Campus Security Personnel:**

**Employee job duties and staff functions**

**Institutional Communication (how the Campus Security Office communicates with other institutional offices)**

1. **Number and distribution of financial aid staff:**
2. **If applicable, document the use of third-party servicers to aid in the administration of Title IV Aid (e.g., ATB independent test administrator (prior to July 1, 2012), Perkins Loan servicer):**

1. **Select types of program(s) in which the institution participates:**

Federal Work-Study  Federal SEOG

Federal Perkins  Federal Pell

TEACH Grant  Other

Direct Loan  Other

Grad PLUS  Other

1. **Number of Financial Aid applications evaluated:**

1. **Number of students who receive Title IV assistance and the amount   
   of funds administered:**

1. **Type of financial aid delivery system used by the institution:**

1. **The degree of the office automation used in the administration of Title IV aid:**

Suggested information:

* Description of the type of software application used by the financial aid office and business office. Is the system homegrown or an off the shelf product?
* Process for how ISIR records are received through FAA Access to CPS online and how that data is entered into your own computer system.
* Process for any automatic systems such as packaging, SAP determinations, budget construction, reviewing files, requesting verification documents.
* If financial aid documents are kept in electronic format, explain process.
* Explain how computer systems are backed up.
* Explain security measures in place to protect private information, e.g., the use of passwords, etc.

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| **Part 1.2** | **Adequate Checks and Balances Procedure** | This section is required [**668.16 (c)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_116&rgn=div8) |

**Include documentation to show clear and separate division of responsibility for the administration of financial aid programs that are divided between the Financial Aid Office and the Fiscal Office.**

**Complete the information below to indicate individuals who are responsible for the Financial Aid and Fiscal Office as applicable at your institution. You must ensure that there is a separation of function as outlined in** [**668.16**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_116&rgn=div8)**:**

**Financial Aid Office**

**Fiscal or Business Office**



**Good Practices**

**(Good Practice Suggestion)**

Providing specific detail of your organizational structure assists in an understanding of how your Title IV aid operation is structured.

* Describe the organizational structures of the business office and the financial aid office.
* Include the general office hours for the offices and how appointments are made to assist students.
* Include a flow chart or organizational chart that shows the structure and interfaces of both offices.
* Include copies of Job Descriptions for key positions in both offices.
* Include the structure of other offices that work closely with the Financial Aid Office.
* Include Audit & Program Review and Self-Evaluation Processes

**Financial Aid Office:**

**Fiscal or Business Office:**

**Identify:**

Where fiscal records are maintained:

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| **Part 1.3** | **Satisfactory Academic Progress Procedure** | This section is required [**668.16 (e)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_116&rgn=div8)**;** [**668.34**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_134&rgn=div8) |

**Documentation to show that Satisfactory Academic Progress standards are published and are reasonably applied for measuring whether an otherwise eligible student is making SAP in his/her educational program.**

**SAP Policy**

The school must establish, publish and apply reasonable standards for measuring whether an otherwise eligible student is making SAP in their educational program.

**Academic Standards:**

**SAP Standard for Title IV students:**

Standard for student enrolled in same educational program who is not receiving   
Title IV assistance:

Are standards for Title IV students the same or stricter than non Title IV students enrolled in the same educational program? Y  N

**Required Information to be addressed in the school’s SAP Policy:**

The policy provides for consistent application of standards to all students within categories of students, *e.g*., full-time, part-time, undergraduate, and graduate students, and educational programs established by the school.

The policy provides that a student’s academic progress is evaluated at the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or for all other educational programs, at the end of each payment period or a least annually to correspond with the end of a payment period.

The policy specifies the grade point average (GPA) that a student must achieve at each evaluation, or if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm.

If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a “C” or its equivalent or have academic standing consistent with the school’s requirements for graduation.

The policy must include a maximum timeframe in which the student must complete his or her educational program. For an ***undergraduate program measured in credit hours***, the maximum timeframe cannot be longer than 150 percent of the published length of the educational program, as measured in credit hours. For an ***undergraduate program measured in clock hours***, the maximum timeframe cannot be longer than 150 percent of the published length of the educational program, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. For a ***graduate program***, the maximum timeframe must be defined by the school and must be based on the length of the educational program.

The policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe and must provide for measurement of the student’s progress at each evaluation.

The school must calculate the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, the school is not required to include remedial courses.

The policy must describe how a student’s GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions (see definition of full-time student in [34 CFR 668.2(b)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_12&rgn=div8)), or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student’s educational program must count as both attempted and completed hours.

The policy must provide that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance under the Title IV, HEA programs unless: **For schools that evaluate SAP at the end of each payment period**, the student is placed on financial aid warning or the student has appealed and has been placed on financial aid probation. **For schools that evaluate SAP annually or less frequently than at the end of each payment period**, the student has appealed and has been placed on financial aid probation.

**Financial Aid Warning and Financial Aid Probation:**

If the school places students on financial aid warning, or on financial aid probation, the policy must describe these statuses and that a student on financial aid warning may continue to receive assistance under the Title IV, HEA programs for one payment period despite a determination that the student is not making SAP. Financial Aid Warning Status may be assigned without an appeal or other action by the student. The policy may also include, for a student on Financial Aid Probation, that they may receive Title IV, HEA program funds for one payment period. Further, while a student is on financial aid probation, the school may choose to require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the policy must require that the student meet the school’s SAP standards or meet the requirements of the academic plan developed by the school to qualify for further Title IV, HEA program funds.

**Appeal Process:**

If the school’s policy permits a student to appeal a determination by the school that he or she is not making SAP, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the Title IV, HEA Programs; the basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances and information the student must submit regarding why the student failed to make SAP, and what has changed in the student’s situation that will allow the student to demonstrate SAP at the next evaluation.

If the school’s policy does not permit a student to appeal a determination by the school that he or she is not making SAP, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the Title IV, HEA programs.

**Notification:**

The school’s policy must provide for notification to students of the results of an evaluation that impacts the student’s eligibility for Title IV, HEA program funds.

**For schools that evaluate SAP at the end of each payment period the policy must specifically address the following:**

If a student is not making SAP according to the school’s policy at the end of each payment period, the school’s policy *may* (for the payment period following the payment period in which the student did not make SAP) – place the student on financial aid warning, and disburse Title IV HEA program funds to the student; or place the student directly on financial aid probation.

For the payment period following a payment period during which a student was on financial aid warning, the school’s procedures may include placing the student on financial aid probation and disbursing Title IV HEA program funds to the student if – a) the school evaluates the student’s progress and determines the student did not make SAP during the payment period the student was on financial aid warning; b) the student appeals the determination; and c) the school determines that the student should be able to meet the school’s SAP standards by the end of the subsequent payment period or the school develops an academic plan for the student that, if followed, will ensure that the student is able to meet the school’s SAP standards by a specific point in time.

The school’s policy must not allow a student on financial aid probation for a payment period to receive Title IV, HEA program funds for the subsequent payment period unless the student makes SAP or the school determines that the student met the requirements specified by the school in the academic plan for the student.

**For schools that evaluate SAP annually or less frequently than the end of each payment period, the policy must specifically address the following:**

If a student is not making SAP according to the school’s policy, the school may place the student on financial aid probation and may disburse Title IV, HEA program funds to the student for the subsequent payment period if –a) the school evaluates that the student is not making satisfactory academic progress; b) the student appeals the determination; and c) the school determines that the student should be able to make satisfactory academic progress during the subsequent payment period and meet the school’s satisfactory academic progress standards at the end of that payment period, or the school develops an academic plan for the student that, if followed, will ensure that the student is able to meet the school’s satisfactory academic progress standards by a specific point in time.

The school’s policy must not allow a student on financial aid probation for a payment period to receive Title IV, HEA program funds for the subsequent payment period unless the student makes SAP or the school determines that the student met the requirements specified by the school on the academic plan for the student.

 **Important** A critical piece of information that, if overlooked, could result in an error

**Academic Year Definition (**[**668.3**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_13&rgn=div8)**):**

**Schools must define the Title IV academic year for each eligible program.  A school may have different definitions of the academic year for different programs. Schools must properly define and understand the academic year definition in order to accurately award and disburse Title IV funds.  The academic year definition is also used for monitoring SAP and tracking loan usage periods for the subsidized Direct Loan limitation.**

**Schools are required to define their academic year. It is essential to include the definition in this section in order to understand your SAP standards.**

1. Review [34 CFR 668.3](https://www.ecfr.gov/cgi-bin/text-idx?SID=906ac2201d7da669c21e3eeea3dfeea7&mc=true&node=se34.3.668_13&rgn=div8)
2. Include whether the school offers programs in credit hours with terms, clock hours, or credit hours without terms.
3. Include the minimum academic year definition for all programs.
4. Include whether the school has one definition for all programs. If not, include   
   an explanation of those programs that need a different definition.
5. Include whether the payment periods are determined by terms or by hours   
   and weeks.

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| **Part 1.4** | **Conflicting Data** | This section is required [**668.16 (f)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_116&rgn=div8)**;** [**668.54(a)(3)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=0477eeb9299a5b56c3342d5172a94602&mc=true&node=se34.3.668_154&rgn=div8) |

**Schools must have an adequate system to identify and resolve discrepancies in the information that the school receives from different sources with respect to a student’s application for financial aid under the Title IV, HEA programs. Use the information in this section to help you develop your procedures for resolving conflicting data.**

Resolving Conflicting Data:

Your school’s procedures must ensure that you resolve conflicting data for your applicants as follows:

* **Applicants selected for verification**—In addition to normal verification requirements, if an institution has reason to believe that any information on the application is discrepant or inaccurate (or if any supporting documentation is discrepant or inaccurate) , the institution shall require the applicant to provide adequate documentation to resolve the conflict before disbursing title IV funds.
* **Applicants not selected for verification**—It is the responsibility of the institution to resolve conflicting information before disbursing title IV funds regardless of whether or not the applicant was selected for verification.
* **Other applicant information received by the school**—A school must have an adequate internal system to identify conflicting information that it may have regardless of the source, such as information from the admissions office as to whether the student has a high school diploma (or a recognized equivalent)or information from other offices regarding academic progress, enrollment status, work-study earned or additional institutional aid or outside aid from the Financial Aid Office, other Departments within the institution, or an outside entity.

In addition, the following charts provide examples of conflicting data to assist you in the development of your own procedures.

The charts below are available by selecting the link: <https://ifap.ed.gov/sites/default/files/attachments/2019-07/Activity1verif2021.doc>

**Good practices vs. what is required**

Chart A provides examples of **conflicting information** and provides common examples of conflicting information. Generally this chart has been developed to help you review your policies and procedures.

**(Important) A critical piece of information that, if overlooked, could result in an error.**



Chart B provides examples of good practices for resolving conflicting information. The chart is provided for information only and has been developed to help you review your policies and procedures.

**(Good Practice Suggestion)**

**Chart A: Examples of issues considered Conflicting Data**

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| * A student is not selected for verification, but a tax return or IRS transcript is on file and information conflicts with items on the FAFSA. * An IRS 1040 transcript shows single head of household and on the FAFSA/ISIR shows the same person as married. * A parent or student reports on their FAFSA, and signed a verification worksheet that they will not file an IRS tax return. You have reason to believe that they would have been required to file a U.S. Income Tax Return, as the amount of reported income on the FAFSA is greater than or equal to the minimum amount required to file as indicated in the instructions provided by the IRS. * A school received statements or information that suggests that the copy of the IRS Income Tax Return received is not the IRS Income Tax Return actually filed with the IRS. * A school receives a “Profile” from CSS where the student reports a specific amount of untaxed income; FAFSA reports a different amount. (If the school receives the CSS Profile, it must ensure that information contained there does not conflict with other documents received by the school).The information on the FAFSA must be correct and must not conflict with the CSS Profile if a school collects it) * Veterans Affairs (VA) benefits verified by the certifying official in the Registrar don’t match the FAFSA. (To resolve conflicting information, the school can rely on the certifying official). * Admissions information received impacts student eligibility (i.e., student accepted into a non-degree program, student received scholarship from high school, etc.)      * The student’s academic progress or enrollment status on file in the Financial Aid Office doesn’t agree with the information from the Registrar Office. |

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**This is a good practice. However, if you choose to include these examples, you must follow them consistently.**

**(Good Practice Suggestion)**

**Chart B: Examples of issues not considered Conflicting Data, but would be a good practice to consider for review**

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| * Review assets reported on the FAFSA to determine, if applicable, that the information report matches the provided U.S. Income Tax Return. For example, if the assets on the FAFSA are $0 or low but significant interest and dividend income or capital gains are reported on the U.S. Income Tax Return. * If $0 income is reported your institution may want to consider developing a method to review $0 to low income reporting. * Review the address reported by the student/parent. * Review the FAFSA to determine if the student or parents reported business/farm net worth but didn’t file a schedule C or Form 1120 or just didn’t supply supporting documentation to the school (Your institution may want to consider requesting additional documentation from the student or parent). * If the school collects a W-2, review Box 14 information from W-2 and determine if the dollars represented are untaxed income not previously reported on the FAFSA. |

**Identify person(s) responsible for coordinating both Federal and non-federal aid at your institution.**

Provide procedure as to how Federal and non-Federal aid is identified and processed through the financial aid office.

**Provide procedures to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student’s application for Title IV aid.**

* Identify all student aid applications, need analysis documents, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each aid applicant. Provide a description of all documents that are normally collected.
* Include a description of how the institution verifies information received from the student or other sources.
* Include procedures concerning the coordination of any other information normally available to the institution regarding a student’s citizenship, previous educational experience (NSLDS), documentation of the student’s social security number, or other factors relating to the student’s eligibility for Title IV Aid (e.g. coordinating outside aid received by various offices on campus).
* Include procedures to refer to the Office of the Inspector General of the Department of Education for investigation any credible information indicating that an applicant for Title IV may have engaged in fraud or other criminal conduct.
* Include any credible information indicating that any employee, third-party servicer, or other agent of the school , who acts in a capacity involving the administration of Title IV, HEA programs, or the receipt of funds under those programs may have engaged in fraud, misrepresentation, conversion or breach of fiduciary responsibility or other illegal conduct involving the Title IV, HEA programs.

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| **Part 1.5** | **Fiscal & Cash Management** | This section is required[**668.16 (d)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=8de63d19e2ddd832809bbe9a8da10688&mc=true&node=se34.3.668_116&rgn=div8)**;** [**668.24 (b)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=8de63d19e2ddd832809bbe9a8da10688&mc=true&node=se34.3.668_124&rgn=div8)**;** [**668.164**](https://www.ecfr.gov/cgi-bin/text-idx?SID=7cf0cda73dc7b90bcbb4b7eabca58b76&mc=true&node=se34.3.668_1164&rgn=div8)**;** [**668.165**](https://www.ecfr.gov/cgi-bin/text-idx?SID=7cf0cda73dc7b90bcbb4b7eabca58b76&mc=true&node=se34.3.668_1165&rgn=div8)**;** [**668.166**](https://www.ecfr.gov/cgi-bin/text-idx?SID=b9f471241af30097fee721986f629b87&mc=true&node=se34.3.668_1166&rgn=div8) |

**Additional fiscal requirements are found throughout most sections of this manual. The fiscal requirements here are also** *part* **of the fiscal requirements in Sections 4-11 of this manual. You may choose to repeat the information contained in this section (in sections 4-11) or you can refer to this section as appropriate. However, you must still include the specific information required in addition to this general fiscal information as applicable in each section.**

**Fiscal reports and financial statements**

* Identify the process used to obtain information for required fiscal reports and financial statements. Include bank account and internal ledger reconciliation procedures.

**Develop and follow procedures for record retention and examinations as outlined in** [**34 CFR 668.24**](https://www.ecfr.gov/cgi-bin/text-idx?SID=b9f471241af30097fee721986f629b87&mc=true&node=se34.3.668_124&rgn=div8)**. Use the following information to ensure your procedures are adequately developed:**

**Record retention and examinations** [**34 CFR 668.24 (b)**](http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=34&PART=668&SECTION=24&TYPE=TEXT)

* **Your school’s procedures must include the following:**

**Program records** [34 CFR 668.24(a)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b9f471241af30097fee721986f629b87&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the Program records requirements:**

**Fiscal records** [34 CFR 668.24(b)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b9f471241af30097fee721986f629b87&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the Fiscal records requirements:**

**Required Records** [34 CFR 668.24(c)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b9f471241af30097fee721986f629b87&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the records requirements:**

**General requirements** [34 CFR 668.24(d)](https://www.ecfr.gov/cgi-bin/text-idx?SID=8ca04e635aff4786c75eaabd478922c4&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the general records requirements:**

**Record retention** [**34 CFR 668.24(e)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=ebdab8fb6fb1796b65c6351cc8a4976f&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the record retention requirements:**

**Examination of records** [**34 CFR 668.24(f)**](https://www.ecfr.gov/cgi-bin/text-idx?SID=ebdab8fb6fb1796b65c6351cc8a4976f&mc=true&node=se34.3.668_124&rgn=div8)

**Describe the school’s procedures to ensure compliance with the examination of records requirements:**

**Disbursing Title IV Funds** [**34 CFR 668.164**](https://www.ecfr.gov/cgi-bin/text-idx?SID=b8ec989d25eb8ccf2c755043e2133e0a&mc=true&node=se34.3.668_1164&rgn=div8)

**Include procedures to show how your school maintains Title IV funds received in accordance with the disbursement requirements outlined in** [**34 CFR 668.164**](https://www.ecfr.gov/cgi-bin/text-idx?SID=b8ec989d25eb8ccf2c755043e2133e0a&mc=true&node=se34.3.668_1164&rgn=div8)**.**

**Disbursement** [34 CFR 668.164(a)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b8ec989d25eb8ccf2c755043e2133e0a&mc=true&node=se34.3.668_1164&rgn=div8)**:**

**Describe the school’s disbursement procedures:**

**Disbursements by payment period** [34 CFR 668.164(b)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b8ec989d25eb8ccf2c755043e2133e0a&mc=true&node=se34.3.668_1164&rgn=div8)**:**

**Describe the school’s procedures to ensure disbursement by payment period:**

**Crediting a student’s ledger account** [34 CFR 668.164(c)](https://www.ecfr.gov/cgi-bin/text-idx?SID=3ee9d1ba2f19568acef9bc977b2e7183&mc=true&node=se34.3.668_1164&rgn=div8)**:**

**Describe the school’s procedures to when crediting a student’s ledger account:**

**Direct Payments** [34 CFR 668.164(d)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b5b4ed9f72a5ff178452e2bc0fce901d&mc=true&node=se34.3.668_1164&rgn=div8)**:**

**Describe the school’s procedures Direct Payments:**

**Tier one arrangement** [34 CFR 668.164(e)](https://www.ecfr.gov/cgi-bin/text-idx?SID=b5b4ed9f72a5ff178452e2bc0fce901d&mc=true&node=se34.3.668_1164&rgn=div8)

**If your institution is under a Tier one (T1) arrangement, describe the school’s procedures for Tier one arrangement:**

**Tier two arrangement** [34 CFR 668.164 (f)](https://www.ecfr.gov/cgi-bin/text-idx?SID=a8e1c15fe1105b3e8f181da3fa260eeb&mc=true&node=se34.3.668_1164&rgn=div8)

**If your institution is under a Tier two (T2) arrangement, describe the school’s procedures for Tier two arrangements:**

**Ownership of financial accounts opened through outreach to the institution’s students** [34 CFR 668.164 (g)](https://www.ecfr.gov/cgi-bin/text-idx?SID=720b5467d108d48af677180fa2b02ded&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for ownership of financial accounts opened through outreach to the institution’s students:**

**Title IV HEA credit balances** [34 CFR 668.164(h)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for Title IV HEA credit balances:**

**Early disbursements** [34 CFR 668.164 (i)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for Early disbursements:**

**Late disbursements** [34 CFR 668.164 (j)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for Late disbursements:**

**Retroactive payments** [34 CFR 668.164 (k)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for Retroactive payments:**

**Returning funds** [34 CFR 668.164 (l)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8)

**Describe the school’s procedures for Returning funds:**

**Provisions for books and supplies** [34 CFR 668.164 (m)](https://www.ecfr.gov/cgi-bin/text-idx?SID=0622bfee711bf25257828ab393e53063&mc=true&node=se34.3.668_1164&rgn=div8):

**Describe the school’s procedures for Provisions for books and supplies:**

**Notices and authorizations** [**34 CFR 668.165**](https://www.ecfr.gov/cgi-bin/text-idx?SID=c4d5564da42e19c354f47ef8c8e9a5e9&mc=true&node=se34.3.668_1165&rgn=div8)

**Note: It would be helpful to include copies of any notices or authorizations used by your school to comply with this part.**

**Describe the school’s procedures for notices and authorizations:**

**Excess Cash** [**34 CFR 668.166**](https://www.ecfr.gov/cgi-bin/text-idx?SID=c4d5564da42e19c354f47ef8c8e9a5e9&mc=true&node=se34.3.668_1166&rgn=div8)

Describe the school’s procedures for ensuring excess cash is returned as required in [34 CFR 668.166](https://www.ecfr.gov/cgi-bin/text-idx?SID=c4d5564da42e19c354f47ef8c8e9a5e9&mc=true&node=se34.3.668_1166&rgn=div8):

 **Help**

The Fiscal Year-End reconciliation worksheet is designed as a comprehensive exercise for all programs for year-end reconciliation. It is also important for schools to ensure that they reconcile all accounts on a monthly basis. Monthly reconciliation also makes year-end reconciliation an easier process. There are separate worksheets for each program. Instructions are included with each worksheet.

These forms can be accessed from the Fiscal Management Assessment

<https://ifap.ed.gov/fsa-assessments/04-03-2019-fiscal-management>

Or select any specific worksheet listed below:

[**Fiscal Year-End Reconciliation Worksheet**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/FiscalYearEndReconciliationWorksheets2021.xls)

[**Federal Pell Grant Monthly Reconciliation**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/federalpellmonth2021.doc)   
[**TEACH Grant Monthly Reconciliation**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/teachgrantmonthly2021.doc)   
[**FWS Monthly Reconciliation**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/fwsmonth2021.doc)  
[**FSEOG Monthly Reconciliation**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/fseogmonth2021.doc)  
[**Direct Loan Monthly Reconciliation**](https://ifap.ed.gov/sites/default/files/attachments/2019-07/directloanmonth2021.doc)

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| **Part 1.6** | **Financial Aid Counseling** | **This section is required**,; [668.16 (h)](https://www.ecfr.gov/cgi-bin/text-idx?SID=f1d40a0c53bcbd19af0a48626640dc55&mc=true&node=se34.3.668_116&rgn=div8) |

**The following topics need to be addressed for Financial Aid counseling of students:**

* Identify the sources and the amount of each type of aid awarded.
* Provide a method by which aid is determined and disbursed, delivered or applied to a student’s account.
* Make available the rights and responsibilities of the student with the respect to enrollment at the institution and receipt of financial aid.
* Provide information regarding the institution’s refund policy, the requirements for the treatment of Title IV funds when a student withdraws under [668.22](https://www.ecfr.gov/cgi-bin/text-idx?SID=f1d40a0c53bcbd19af0a48626640dc55&mc=true&node=se34.3.668_122&rgn=div8), its standards of SAP and other conditions that may alter the student’s aid package.