

# BREAKOUT SESSION #23

## Maintaining Your Institutional Eligibility

Susan Bowder and Kai Kimbrough

U.S. Department of Education

2023 FSA Training Conference for Financial Aid Professionals

# WHAT IS INSTITUTIONAL ELIGIBILITY?

---

WHEN A SCHOOL IS ELIGIBLE, ALL QUALIFYING STUDENTS GET FINANCIAL AID



WHEN A SCHOOL IS NOT ELIGIBLE, QUALIFYING STUDENTS CANNOT GET FINANCIAL AID



MAINTAINING INSTITUTIONAL ELIGIBILITY CONTRIBUTES TO THE SUCCESS OF IT'S STUDENTS

# AGENDA

---

1. Learning the Basics
2. Understanding Eligibility and Certification
3. Reporting Changes
4. Applying for Recertification
5. Avoiding Common Pitfalls

# LEARNING THE BASICS

The E-App, PPA, and ECAR

---

# LEARNING THE BASICS

---

Understanding basic terminology and functionality to key eligibility elements are essential to maintaining institutional eligibility.

WHAT IS AN  
E-APP?



WHAT IS THE  
DIFFERENCE  
BETWEEN THE  
PPA AND ECAR?



WHAT ARE THE  
APPROVAL AND  
ACKNOWLEDGEMENT  
NOTICES?





# LEARNING THE BASICS

---

## The Electronic Application (E-App)

- *The Application for Approval to Participate in the Federal Student Financial Aid Programs*
- Used to apply for recertification
- Used to report all types of changes regarding school eligibility, including change of officials, additional locations, and educational program updates

# LEARNING THE BASICS

---

## The Program Participation Agreement (PPA)

- It is required for certified/participating schools
- A contract between the school and ED which outlines the requirements that the school is required to follow
- Signed by the school, owners where applicable, and ED
- Effective when signed by ED; void as of the new PPA date
- Kept on file by the school, along with a copy of the most recent Eligibility and Certification Approval Report

# LEARNING THE BASICS

---

## **The Eligibility and Certification Approval Report (ECAR)**

- A snapshot of the school's participation, programs, location, officials, etc.
- Updated with each acknowledged or approved change
- A current copy of the ECAR must be kept on file by the school



# LEARNING THE BASICS

---

## Approval and Acknowledgement Notices

- Provided in response to changes reported on the E-App
- Treated as an addendum to the most recent PPA
- Kept on file by the school, together with the PPA and the updated ECAR

# UNDERSTANDING ELIGIBILITY AND CERTIFICATION



# UNDERSTANDING ELIGIBILITY AND CERTIFICATION

---



## STATE AUTHORIZATION

Be legally authorized  
by a state as a  
postsecondary  
school



## ACCREDITATION

Be accredited by an  
Accrediting Agency  
recognized by the  
Department of  
Education



## PROGRAMS

Provide an eligible  
program



## ADMISSION

Admit as regular  
students only  
individuals with a  
high school diploma  
or equivalent; or  
beyond the age of  
compulsory school  
attendance in the  
state

# UNDERSTANDING ELIGIBILITY AND CERTIFICATION

---



## COURSES

Provide no more than 50% of its courses by correspondence



## ATTENDANCE

Have less than 50% of its regular students attend by correspondence



## REGULAR STUDENTS

Have no more than 25% of its regular students be incarcerated



## LAW ABIDING

Must not have a bankruptcy, be convicted of a crime involving *Title IV* funds or fraud by school or owner

# UNDERSTANDING ELIGIBILITY AND CERTIFICATION

*Types of Certification for Participation in HEA Title IV Programs*

---

## FULL CERTIFICATION

- Up to 6 years
- Self-certification options

## PROVISIONAL CERTIFICATION

- 1 to 3 years
- Conditional provisions

# REPORTING CHANGES

Acknowledgements





# REPORTING CHANGES

---

## ACKNOWLEDGEMENTS

## CHANGES TO SCHOOL DEMOGRAPHICS



## UPDATES TO SCHOOL PERSONNEL



## NEW OR MODIFIED CONTRACTS

# REPORTING CHANGES

## ACKNOWLEDGEMENTS

- Change to the name of the school
- Change of address for main or additional location
- Closure of a previously approved location



# REPORTING CHANGES

## ACKNOWLEDGEMENTS

- Change from/to clock-hours or credit-hours
- Decrease in the level of educational programs
- Change of educational program name, CIP Code, or credential level
- Discontinuation of educational program for 12 months

# REPORTING CHANGES

## ACKNOWLEDGEMENTS

- Change to reported President
- Change to reported Chief Financial Officer
- Change to reported Financial Aid Director
- New person/entity acquires 5% or greater ownership without a change in control
  - 25% or greater, report within 10 days
  - 5% but less than 25%, report quarterly
- Change in members of Board of Directors

# REPORTING CHANGES

## ACKNOWLEDGEMENTS

- Change of third-party servicer
- New or significantly modified contract with a third-party servicer
- Termination of a contract with a third-party servicer
- Third-party servicer under contract goes out of business or files bankruptcy

# REPORTING CHANGES

Approvals



# REPORTING CHANGES

---

## APPROVALS

CHANGE IN  
ACCREDITING  
AGENCY

CHANGE IN  
OWNERSHIP OR  
STRUCTURE



ADDING A NEW  
LOCATION



EXPANDING  
EDUCATION  
PROGRAM  
OFFERINGS

# REPORTING CHANGES

## APPROVALS: CHANGE IN ACCREDITING AGENCY

When considering adding or changing accrediting agencies

- Notify FSA in writing of intent to change primary accrediting agency or add a new accrediting agency
- Complete notification process and receive ED approval **before** submitting application to new accrediting agency
- Submit update on E-App by updating “primary accreditor” indicator **after** new accreditation has been secured

# REPORTING CHANGES

## APPROVALS: CHANGE IN OWNERSHIP OR STRUCTURE, AND CONTROL

- Acquisition of 25% ownership interest is considered a change in control
- Pre-acquisition review can be requested in advance of the change
- To continue eligibility during transition:
  - Notification to students and ED must be made 90 days prior to the change (See Electronic Announcement [GENERAL-23-77](#) *Compliance with the Change in Ownership 90-Day Advance Notification*)
  - A “materially complete application” must be received no later than 10 business days after the day the change in ownership occurs

# REPORTING CHANGES

---

## APPROVALS: NEW LOCATIONS

- ECAR lists the main location
- ECAR lists approved additional locations
  - Only locations at which 50% or more of a program is offered must appear on the ECAR

# REPORTING CHANGES

## APPROVALS: NEW LOCATIONS

- If 50% or more of an educational program is offered at a new location, the school must receive both the required state/foreign government approval and the accrediting agency approval, and report the location to ED
- Includes Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution, even if a student receives instruction primarily through distance education or correspondence at that location
- In some cases, the school must receive ED's approval before disbursing *Title IV* funds to enrolled students, and in some cases, approval is not required for disbursement



# REPORTING CHANGES

## APPROVALS: NEW LOCATIONS

- School must receive approval before disbursing *Title IV* funds if the school is:
  - Provisionally certified
  - On heightened cash monitoring or reimbursement
  - Acquiring the assets of another school
  - Subject to a loss of eligibility due to cohort default rates, or
  - Required by ED to receive approval before disbursing *Title IV* funds



# REPORTING CHANGES

## APPROVALS: NEW LOCATIONS

- To streamline the application review process, schools should consult with their School Participation Division if:
  - Location was a facility of another school that has since closed
  - School is providing a teach-out of a closing school at the closing school's location
  - Location is changing affiliation (is currently an approved school, or an approved location of another school)

# REPORTING CHANGES

## APPROVALS: NEW LOCATIONS

- If not required to wait for approval, the school may disburse *Title IV* funds to enrolled students after submitting the E-App and all required documentation

# REPORTING CHANGES

## APPROVALS: NEW LOCATIONS

- ED will review applications for all reported locations to:
  - Ensure location meets eligibility requirements
  - Evaluate the school's administrative and financial capability (if location approval is required)
- If approved, school may disburse/continue to disburse funds after receiving approval letter
- If not approved, school is liable for disbursements made

# REPORTING CHANGES

## NEW LOCATIONS ELIGIBILITY REQUIREMENTS



### AGENCY APPROVALS

Location information on accrediting agency and state approval documents matches reported location details



### STREET ADDRESS

Address is a physical location where students attend class in-person



### SHARED LOCATION

If at the site of a current or former eligible location, relationship reported, and eligibility established



### FUNDING PLANS

Need for Direct Loan code and/or Federal School Code for the location has been determined

# REPORTING CHANGES

---

## APPROVALS: NEW EDUCATIONAL PROGRAMS

- ECAR lists the eligible credential levels
- ECAR lists the eligible programs approved by ED
- Only programs that are required to be reported, or those voluntarily reported, will appear on the ECAR



# REPORTING CHANGES

## APPROVALS: NEW EDUCATIONAL PROGRAMS

- The school must submit an E-App reporting new educational program(s) *and obtain approval* before disbursing funds if the **school** is:
  - Provisionally certified
  - On heightened cash monitoring or reimbursement
  - Required by ED to receive approval before disbursing *Title IV* funds

# REPORTING CHANGES

## APPROVALS: NEW EDUCATIONAL PROGRAMS

- The school must submit an E-App reporting the new educational program(s) *and obtain approval* before disbursing funds if the **program** is:
  - A short-term program that does not admit as regular students only persons who have completed the equivalent of an associate degree
  - Measured by direct assessment and is the first such program at that level
  - A Comprehensive Transition and Postsecondary (CTP) Program for students with intellectual disabilities
  - A Prison Education Program (PEP) and is the first such program at the first two locations (See Electronic Announcement GENERAL-23-52 *Availability of the Prison Education Program Application Form and Instructions for Applying for Prison Education Programs*)

# REPORTING CHANGES

## APPROVALS: NEW EDUCATIONAL PROGRAMS

- The school must submit an E-App reporting the new educational program(s), *but is not required to wait for approval* before disbursing funds if the **program** is:
  - Required to prepare a student for “gainful employment in a recognized occupation” and the school is not otherwise required to receive approval for the program
  - A second or subsequent direct assessment program at a credential level
  - A second or subsequent Prison Education Program at the first two locations, or all programs at third and subsequent locations



# REPORTING CHANGES

## APPROVALS: NEW EDUCATIONAL PROGRAMS

- If the school/program does not meet the criteria for required reporting, schools may make a self-determination of eligibility for new educational program(s), and then disburse funds to students without obtaining ED approval
  - School must receive state and accrediting agency approvals, and confirm the program meets any other requirements
  - Schools may report programs for which they have made a self-determination

# REPORTING CHANGES

## APPROVALS: NEW EDUCATIONAL PROGRAMS

ED will review applications for all reported educational programs to:

- Ensure reported programs meet eligibility requirements
- Evaluate the school's administrative and financial capability (if program approval is required)
- Add to the ECAR eligible programs; the school may disburse/continue to disburse funds after receiving their approval letter
- Notify school if not approved; school is liable for disbursements made

# REPORTING CHANGES

## NEW EDUCATIONAL PROGRAMS ELIGIBILITY REQUIREMENTS



### AGENCY APPROVALS

Program information on accrediting agency and state approval documents matches reported program details



### CIP CODE

Classification of Instructional Programs (CIP) Code from 2020 CIP list is consistent with name of program



### SOC CODE

Standard Occupational Classification (SOC) Code, from U.S. Bureau of Labor Statistics, associated with CIP code, where required



### PROGRAM LENGTH

Meets minimum weeks and clock or credit hours for credential level

# REPORTING CHANGES

## NEW EDUCATIONAL PROGRAMS ELIGIBILITY REQUIREMENTS



### STATE REQUIREMENT

Does not exceed 150% of the minimum number of clock-hours established by the state, or by an adjacent state, for training in the occupation



### CLOCK TO CREDIT CONVERSION

If measuring in credit hours, meets requirements to offer program in credit hours, or credit hours are converted from clock hours based on hours of instruction



### DIRECT ASSESSMENT

Meets requirements if Direct Assessment Program



### CTP PROGRAM

Meets requirements if Comprehensive Transition and Postsecondary (CTP) Program, and uses 2020 CIP Code 30.0001

# REPORTING CHANGES

---

## THE PROCESS

- Complete the E-App
- Submit Supporting Documentation
- Receive Response

# REPORTING CHANGES

## DOCUMENTS TO SUBMIT FOR ACKNOWLEDGEMENTS AND APPROVALS

School must submit to ED:

- Accrediting agency and state/foreign government authorization approvals for changes or additions
- Any documentation required for specific type of change reported
- E-App signed by the appropriate school official

# REPORTING CHANGES

## ACKNOWLEDGEMENTS AND APPROVALS: FINALIZING THE UPDATE

After your application has been reviewed, you will receive directions to review, and save a copy of:

- the acknowledgement or approval letter
- the updated ECAR



# APPLYING FOR RECERTIFICATION



# APPLYING FOR RECERTIFICATION

---

All participating schools must go through a recertification process to maintain eligibility to participate in the *HEA, Title IV* Programs

## APPLICATION TIME FRAMES & DEADLINES



## PREPARATION BEFORE STARTING THE RECERTIFICATION APPLICATION



## COMPLETING THE RECERTIFICATION PROCESS



# APPLYING FOR RECERTIFICATION

## APPLICATION TIME FRAMES & DEADLINES

- All participating schools must go through recertification
- Recertification is completed prior to the PPA expiration date
- The PPA expiration date is identified at the top of the first page of the PPA as the “Approval Expiration Date”

# APPLYING FOR RECERTIFICATION

## APPLICATION TIME FRAMES & DEADLINES

- The Recertification E-App should be submitted by the “Reapplication Date”
- The Reapplication Date is located at the top of the first page of the PPA, immediately below the “Approval Expiration Date”
- The Reapplication Date, or E-App due date, is three months before the PPA expiration date

# APPLYING FOR RECERTIFICATION

## APPLICATION TIME FRAMES & DEADLINES

- If a complete application is submitted before the Reapplication Date, the PPA will automatically be extended month-to-month until the review of your application is completed by an Eligibility Analyst

*For more information, see the 2023-24 FSA Handbook, Volume 2 School Eligibility and Operations, Chapter 5 Updating Application Information*

# APPLYING FOR RECERTIFICATION

## PREPARATION BEFORE STARTING THE RECERTIFICATION APPLICATION

---



### STATE AUTHORIZATION

Obtain a copy of current state authorization documents (both approval letter and list of approved programs, if applicable)



### ACCREDITATION

Obtain a copy of current accreditation documents (both approval letter and list of approved programs, if applicable)



### BOARD MEMBERS

Obtain current information about members of the Board of Directors or Trustees, and information about member associations with other schools

# APPLYING FOR RECERTIFICATION

## PREPARATION BEFORE STARTING THE RECERTIFICATION APPLICATION

---



### CIP CODES

Obtain a list of the CIP Codes reported to IPEDS and compare them against programs reported on the application



### POLICIES AND PROCEDURES

Ensure school's policies and procedures are complete and reflect actual practices



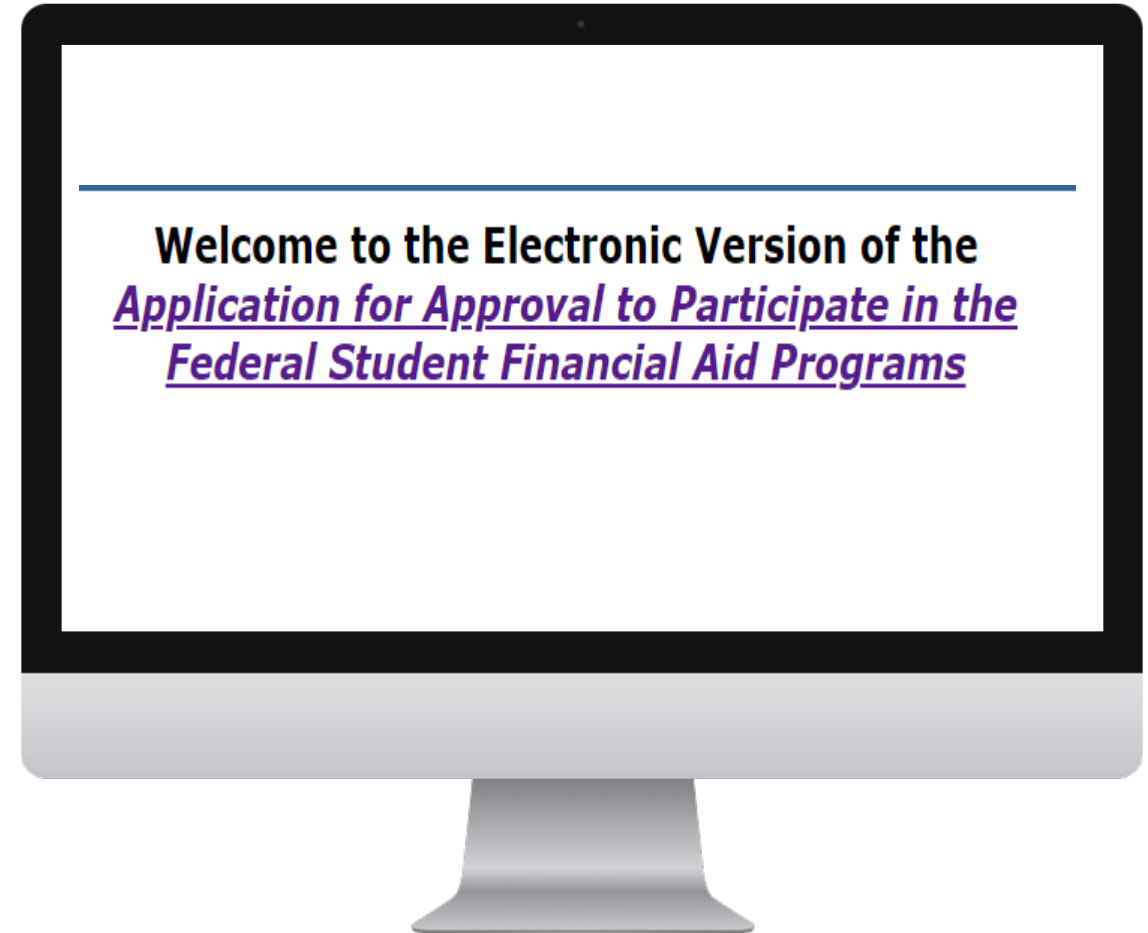
### CONSUMER INFORMATION

Ensure all information is available according to the Consumer Information FSA Assessment



# APPLYING FOR RECERTIFICATION

- 
- Access E-App online
  - Contact your SPD for log in assistance if needed



# APPLYING FOR RECERTIFICATION

## COMPLETING THE RECERTIFICATION PROCESS

REVIEW AND UPDATE E-APP	SUBMIT DOCUMENTATION	REVIEW, SIGN, RETURN PPA	RECEIVE ED SIGNED PPA	SET REMINDERS
Review and update all sections of the E-App. Select the "Recertification" purpose	<p>Submit the E-App.</p> <p>Upload all required documents.</p> <p>Monitor email for requests from ED for additional information.</p>	<p>Review your new PPA. Note whether your school is fully or provisionally certified.</p> <p>Ensure PPA is signed by all required signatories and returned within 30 days.</p>	<p>PPA will be returned to you, countersigned by ED. Save the countersigned PPA.</p> <p>Review, and save a copy of, the updated ECAR</p> <p>Note any provisions or other conditions on the PPA.</p>	Mark the Expiration Date and Reapplication Deadline on your calendar.

# APPLYING FOR RECERTIFICATION

## PPA SIGNATURE REQUIREMENT

- President or CEO of institution must sign the PPA
- PPA may include request for signatures on behalf of entity owners that have, or could have, a direct or indirect effect on the institution's financial responsibility
- PPA may include request for signatures from certain individuals who exercise substantial control over institutions (See Electronic Announcement GENERAL-23-11 *Establishing Personal Liability Requirements for Financial Losses Related to the Title IV Programs*)

# AVOIDING COMMON PITFALLS



# AVOIDING COMMON PITFALLS

---

Errors and oversights can delay application processing.

**HAVE  
CONVERSATIONS  
WITH SCHOOL  
ADMINISTRATORS**



**REVIEW  
APPLICATION  
BEFORE  
SUBMITTING**



**CONTACT THE  
SCHOOL  
PARTICIPATION  
DIVISION**





# AVOIDING COMMON PITFALLS

---

- Review all sections of the eApp and include all necessary and mandatory updates
- Contact your SPD if you have questions or are unsure about a response



# AVOIDING COMMON PITFALLS

---

- If reporting more than one update on an Update E-App, identify EACH purpose
- If updates are reported on a recertification application, identify “Recertification” as the only purpose
- Use caution when changing officials, directors and owners
  - Follow the application instructions carefully to avoid changing the name when you intend to change the person
- Ensure phone numbers for officials are direct lines and not general campus numbers



# AVOIDING COMMON PITFALLS

---

Remember to:

- Submit state/foreign government and accrediting agency approval letters with a list of approved programs (if applicable)
- Click the button to submit the application
- Sign the E-App

# SCHOOL ELIGIBILITY AND OVERSIGHT SERVICE GROUP (SEOSG)

**Martina Fernandez-Rosario – Director, School Eligibility and Oversight Service Group**  
202-453-6744

School Eligibility and Oversight Service Group General Number: 202-377-3173 or email: [CaseTeams@ed.gov](mailto:CaseTeams@ed.gov)

Or call/email the appropriate School Participation Division team below for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification, and school closure information.

## **New York/Boston School Participation Division**

*Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, Virgin Islands*

E-mail Mailbox: [NYBostonSPD@ed.gov](mailto:NYBostonSPD@ed.gov)

**Vanessa Dillard, Division Chief** 202-539-9075

**Jen Uhler, Branch Chief** 202-987-0239

**Ed Buckley, Branch Chief** 202-987-0338

**Vacant, Branch Chief**

## **Philadelphia School Participation Division**

*District of Columbia, Delaware, Maryland, Michigan, Pennsylvania, Virginia, West Virginia*

E-mail Mailbox: [PhiladelphiaSPD@ed.gov](mailto:PhiladelphiaSPD@ed.gov)

**Nancy Gifford, Division Chief** 215-656-6436

**Sherrie Bell, Branch Chief** 202-987-1961

**Manny Loera, Branch Chief** 202-987-1960

**Bronsdon Thompson, Branch Chief** 202-377-3747

## **Multi-Regional and Foreign Schools Participation Division**

E-mail Mailbox: [Multi-RegionalSPD@ed.gov](mailto:Multi-RegionalSPD@ed.gov)

[FSA.Foreign.Schools.Team@ed.gov](mailto:FSA.Foreign.Schools.Team@ed.gov)

**Michael Frola, Division Chief** 202-377-3364

**Michelle Allred, Branch Chief** 202-987-1182

**Mark Buszkohl, Branch Chief - Foreign Schools** 202-539-9060

**Margery Harvey, Branch Chief** 202-684-5649

## **Atlanta School Participation and Financial Analysis Division**

*Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina*

E-mail Mailbox: [AtlantaSPD@ed.gov](mailto:AtlantaSPD@ed.gov)

**Christopher Miller, Division Chief** 404-974-9297

**Vinita Simpson Miller, Branch Chief** 202-552-0062

**Alicia Scott, Branch Chief** 202-987-0229

**Tana Lyons, Branch Chief - Financial Analysis** 202-987-1352

**Rhonda Puffer, Branch Chief - Financial Analysis** 816-268-0547

## **Dallas School Participation Division**

*Arkansas, Louisiana, New Mexico, Oklahoma, Texas*

E-mail Mailbox: [DallasSPD@ed.gov](mailto:DallasSPD@ed.gov)

**Cynthia Thornton, Division Chief** 202-552-1929

**Jesus Moya, Branch Chief** 202-987-0274

**Kim Peeler, Branch Chief** 202-987-0275

## **Kansas City School Participation and Third-Party Servicer (TPS) Division**

*Iowa, Kansas, Kentucky, Missouri, Nebraska, Tennessee*

E-mail Mailbox: [KansascitySPD@ed.gov](mailto:KansascitySPD@ed.gov)

[FSAPC3rdpartyserviceroversight@ed.gov](mailto:FSAPC3rdpartyserviceroversight@ed.gov)

**Dvak Corwin, Division Chief** 816-268-0420

**Angie Beam, Branch Chief - TPS** 202-987-0335

**Kathy Feith, Branch Chief** 816-268-0406

**Edmaly Rodriguez, Branch Chief - TPS** 202-987-0246

## **Chicago/Denver School Participation Division**

*Illinois, Minnesota, Ohio, Wisconsin, Indiana, Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming*

E-mail Mailbox: [Chicago.Denver.SPD@ed.gov](mailto:Chicago.Denver.SPD@ed.gov)

**Jeremy Early, Division Chief** 202-227-0469

**Jason Charlton, Branch Chief** 202-215-8938

**Tammi Sawyer, Branch Chief** 202-987-0655

**Kelli Goers, Branch Chief** 202-987-0255

## **San Francisco/Seattle School Participation Division**

*American Samoa, Arizona, California, Guam, Hawaii, Nevada, Palau, Marshall Islands, Northern Mariana Islands, Federated States of Micronesia, Alaska, Idaho, Oregon, Washington*

E-mail Mailbox: [Sanfrancisco.Seattle.SPD@ed.gov](mailto:Sanfrancisco.Seattle.SPD@ed.gov)

**David Garza – Division Chief** 202-987-0333

**Erik Fosker, Branch Chief** 202-987-0273

**Kim Meadows, Branch Chief** 202-987-0272

**Marisol Mendoza, Branch Chief** 202-987-0270

## **SEOSG Front Office**

**Jan Brandow, Special Assistant to the SEOSG Director**  
202-539-1499

**Suzanne Wood, Program Management Analyst** 202-987-0327

# QUESTIONS?

[caseteams@ed.gov](mailto:caseteams@ed.gov)