

# FSA Program Requirements

*Before beginning to participate in the FSA programs, a school should familiarize itself with the administrative and other requirements that it will have to fulfill, including tracking student and program eligibility. Some of these requirements require substantial lead-time, so a school should begin planning for implementation as soon as possible. Once it begins participating in the FSA programs, a school must continue to meet certain academic, financial, and administrative standards.*

## THE PROGRAM PARTICIPATION AGREEMENT & ECAR

### Signing the Agreement

Upon approval of a school's application to participate, a member of the School Participation Team (SPT) will send an electronic notice to the CEO/President and the financial aid administrator notifying them that the school's Program Participation Agreement (PPA) is available to print and review. The school must print two original PPA documents. The PPA must be printed in portrait orientation and not edited in any way.

The appropriate official(s) at the school must sign and date both copies of the PPA (photocopied or scanned signatures are not acceptable) and send both PPAs to the address on the PPA transmittal letter. All pages of the PPA must be returned.

The SPT will return the school's copy of the PPA, signed and dated on behalf of the Secretary.

### Certification by lower-tier contractors

The PPA includes a *Certification By Lower Tier Contractor* form. The school must make copies of the form and obtain the signatures of any and all Lower Tier Contractors on copies of the certification. The signed certification(s) are to be retained in the school's files. A Lower Tier Contractor includes any contracted individuals not considered employees of the school, who participate in the school's administration of the FSA programs (e.g., third-party servicers or loan servicers).

### Purpose and scope of the Agreement

The PPA contains critical information about a school's participation in the FSA programs. The PPA identifies the school's OPEID number, the effective date of a school's approval, the date by which the school must reapply for participation, the date on which the approval expires, and the FSA programs in which the school is eligible to participate.

The PPA includes any conditions specific to the school, including the conditions related to its provisional certification (discussed later in this chapter). In addition the PPA summarizes the general terms and

## CHAPTER 1 HIGHLIGHTS

- Signing the Program Participation Agreement
  - purpose & scope of agreement
  - expiration/termination of agreement
  - Eligibility & Certification Approval Report (ECAR)
- Eligibility after approval
- Training requirement
- Systems to confirm student eligibility
- Staffing & Third-party servicers
- Continuing participation requirements
  - Cohort default rates
  - 90/10 rule
  - Other financial standards
  - Audits and program reviews
- Updating school application data
  - Changes requiring ED's prior written approval
  - changes that do not require ED's written approval
  - foreign school reporting on the E-App
  - other changes reported on the E-App

### Receiving e-mails from ED

Be on the watch for e-mails from an "@ed.gov" address and adjust any spam folders to allow them to pass through.

conditions required for participation in the FSA programs. By signing the PPA, the President/CEO of the school is agreeing to comply with the laws, regulations, and policies governing the FSA programs.

### **Expiration or termination of the Agreement**

The PPA expires on the date indicated on the PPA unless the school applies for recertification and a new PPA is issued. A school may choose to end its participation at any time. To do so, the school must submit an E-App for “Voluntary Withdrawal from ALL Title IV Programs.”

A school’s PPA expires on the date that—

- the school changes ownership that results in a change in control,
- the school closes or stops providing educational programs for a reason other than a normal vacation period or a natural disaster that directly affects the school or its students;
- the school ceases to meet the eligibility requirements,
- the school’s period of participation expires, or
- the school’s provisional certification is revoked.

In the case of a previously approved additional location of the school, the school’s PPA no longer covers a location as of the date on which that location ceases to be a part of the participating school.

The PPA may be terminated by the Department if the school meets any of the conditions listed above (except for the one about expiration). A school that has been terminated by the Department generally may not apply to be reinstated for 18 months.

### **The Eligibility and Certification Approval Report**

When the SPT returns the school’s copy of the PPA, an SPT staff member will also send the school an e-mail indicating that the approval letter and Eligibility and Certification Approval Report (ECAR) are available online.

The ECAR contains the most critical data elements that form the basis of the school’s approval and lists the levels of programs offered. The ECAR also identifies any nondegree programs, short-term programs, and additional locations that have been approved for the FSA programs, as well as those that have been recently disapproved. Both the PPA and ECAR must be kept available for review by auditors and Department officials, including individuals conducting FSA program reviews (discussed later in this chapter).

## ELIGIBILITY AFTER APPROVAL

### Effective date for participation

The date the PPA is signed on behalf of the Secretary is the date the school may begin FSA program participation. The Department's Program Systems Service and regional offices are notified, as well as state guaranty agencies, that the school is approved to participate in the FSA programs.

### Receipt of Federal School Code

Students will use the Federal School Code on the FAFSA to designate the school(s) that they want to receive their FAFSA data.

To confirm that the Federal School Code has been posted, the school must check the [www.fafsa.ed.gov](http://www.fafsa.ed.gov) Web site, and select the "Search for School Codes" link. This code is typically posted within two weeks after the PPA has been signed on behalf of the Secretary. Schools applying for participation only in the Direct Loan program should request assignment of a Federal School Code when requesting the Direct Loan code from COD School Relations—see Chapter 2.

### Beginning to disburse funds

A school may make Pell, ACG/SMART, and TEACH grant disbursements to students for the payment period in which the PPA is signed on behalf of the Secretary. Schools receiving initial certification can participate in the Campus-Based programs in the next award year that funds become available. FFEL and Direct Loan program disbursements may begin in the loan period that the PPA is signed.

### Additional programs or locations

FSA funds can only be given to students in approved programs at approved locations. If your school wants to get approval for additional programs or locations, it must file an E-App and receive approval first (in most cases). See the discussion on updating the E-App later in this chapter.

### Provisional certification

When a school is first approved to participate, the PPA for a new school will include an *Initial Certification* provision. This provision explains that the school has been granted provisional certification for a period not to exceed one complete award year, in which it must demonstrate that it satisfies the standards of financial stability and administrative capability. New schools may also have other provisional certification conditions which must be met by the school.

### Updating, adding, deactivating Federal School Codes

A school must maintain a Federal School Code for its main location. Federal School Codes may also be requested for approved additional locations if the school wants students to be able to separately identify which location they will attend when submitting the FAFSA. Federal School Codes should also be requested for locations if the school will be requesting a separate Direct Loan code for the location(s).

Instructions for updating, adding, and deactivating Federal School Codes are available on the E-App Web site under the Federal School Code Addresses link: [www.eligcert.ed.gov](http://www.eligcert.ed.gov)

## REQUIRED TRAINING FOR NEW SCHOOLS

### Training on the Web

[www.ed.gov/FSA/training](http://www.ed.gov/FSA/training)

Visit the training Web site to register for **required FSA Fundamentals** training (requires OPEID) and to review other training options for new schools:

- FSA COACH Web-based Training
- FSA COACH for Foreign Schools
- Web Demo: FAFSA on the Web and FAA Access to CPS Online

Note that new schools get priority in registering for FSA Fundamentals, see correspondence from the Department for more details.

This site also links to Web-based tutorials for staff who will be working with EDEXpress software, the COD system, and Return of Title IV Funds software; or completing the FISAP application/report for the Campus-Based Programs.

Webinars and other training opportunities are also offered on current topics and program changes.

Note that training sessions are also offered at FSA conferences, which are held in the fall. For more information, go to:  
[fsaconferences.ed.gov](http://fsaconferences.ed.gov)

### Training requirement

In order to participate in any FSA program, a school that is new to the FSA programs must send two representatives (its president/CEO and a financial aid administrator) to a *Fundamentals of Title IV Administration* training workshop offered by the Department. The training requirement must be completed within 12 months before or after the execution of the Program Participation Agreement.

- The chief executive officer (CEO) may elect to send another executive level officer of the school in his or her place. The CEO or his/her designee must attend at least the first two days of the training.
- The attending financial aid administrator must be the person designated by the school to be responsible for administering the FSA programs. The financial aid representative must attend all four and one-half days of the workshop.
- If the school uses a consultant to administer its financial aid, the consultant must attend the training as the school's financial aid representative. Because the school ultimately is responsible for proper FSA program administration, the Department strongly recommends that a financial aid employee from the school attend the training as well.

The school may request a waiver of the training requirement for the financial aid administrator and/or the chief executive from its School Participation Team. The Department may grant or deny the waiver for the required individual, require another official to take the training, or require alternative training.

### Training Content

*Fundamentals of Title IV Administration* training provides a new school with a general overview of the FSA programs and their administration. It does not cover fiscal and accounting procedures in detail.

We recommend that school staff familiarize themselves with the key topics by taking the on-line *FSA Coach* training prior to attending the *Fundamentals* training.

## SYSTEMS TO CONFIRM STUDENT ELIGIBILITY FOR AID

FSA funds can only be given to regular students who are enrolled in eligible programs, and meet other eligibility criteria described in the law. As part of its administrative requirements, your school must establish internal systems to confirm that a student is eligible for FSA funds.

In general, the student must:

- have a Social Security Number
- be a citizen or eligible noncitizen
- not be in default on an FSA loan or owe an overpayment on an FSA grant
- if a male in the applicable age range, be registered with Selective Service

Students are also required to submit a *Free Application for Federal Student Aid (FAFSA)* to calculate an “Expected Family Contribution” (EFC) that the school uses to determine the student’s financial need for aid. The FAFSA can be filed on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

As a part of FAFSA processing, the eligibility requirements listed above will be confirmed using data matches with the National Student Loan Data System and other federal databases such as Social Security, Selective Service, and Immigration (Department of Homeland Security). If the match is unsuccessful or indicates that the student is not eligible, the school will need to resolve the inconsistency and document the student’s eligibility before providing any FSA funds to the student.

The school will also be required to verify the reported financial data for those students selected for verification. This process is described in detail in the *Application and Verification Guide* (see sidebar).

Individual FSA programs have additional eligibility requirements. For instance, Pell Grants and FSEOG are generally only available to students who have not yet earned a baccalaureate degree, and a student must meet specific academic criteria to receive an ACG/SMART or TEACH grant. Also note that special rules apply to incarcerated students and correspondence students. These requirements are described in detail in Volume 1 of the *FSA Handbook*.

Once the student is enrolled, other eligibility requirements come into play, such as the requirement that a student maintain satisfactory progress in his/her program of study. In addition, a student may lose FSA eligibility if convicted for a drug offense that occurred while enrolled and receiving FSA funds.

### Key Web Sites for exchanging student data

A participating school exchanges student data through several important FSA systems.

- Central Processing System (CPS) for student applications (FAFSA) data
- Common Origination and Disbursement (COD) for Pell, ACG/SMART, and TEACH grants; and for Direct Loans
- National Student Loan System (NSLDS) Web site for the student’s financial aid history, enrollment information, and transfer monitoring.

The Student Aid Internet Gateway (SAIG) manages enrollment for several of these systems, and also hosts the electronic mailbox (or “destination point”) for data exchanges with FSA systems. We’ll discuss these systems in more detail in Chapter 2.

### More information

Student eligibility requirements are covered in detail in the *Application and Verification Guide* and Volume 1 of the *FSA Handbook*.

These publications are available on the Information for Financial Aid Professionals Web site (IFAP) at: [www.ifap.ed.gov](http://www.ifap.ed.gov)

## Definition of family

For purposes of “separation of functions,” a member of an individual’s family is a parent, sibling, spouse, child, spouse’s parent or sibling’s, or child’s spouse.

## Electronic processes & separation of functions

While electronic processes enhance accuracy and efficiency, they also can blur separation of functions so the awarding and disbursement occur virtually simultaneously. Schools must set up controls that prevent an individual or an office from having the authority (or the ability) to perform both functions. In addition, your system also should have controls that prevent cross-functional tampering. For example, financial aid office employees should not be able to change data elements that are entered by the registrar’s office.

Finally, your system should only allow individuals with special security classifications to make changes to the programs that determine student need and awards, and it should be able to identify the individuals who make such changes.

For more on information security requirements, see Volume 2 of the *FSA Handbook*.

## Checking debarment

You can check to see if an individual or school has been debarred by using the Excluded Parties List System: <https://www.epls.gov/>

## STAFFING & THIRD PARTY SERVICERS

When preparing to participate in the FSA programs, your school needs to ensure that it has adequate staff to provide services to students and meet the administrative requirements of the programs.

### Adequate staffing & coordination of information

The number of staff that is adequate depends on the number of students aided, the number and types of programs in which the school participates, the number of applicants evaluated and processed, the amount of funds administered, and the type of financial aid delivery system the school uses.

When planning for participation, remember that your school needs to ensure *coordination of information* between its administrative offices. For instance, the financial aid office needs to know if a student ceases making satisfactory progress, because the student will no longer be eligible for FSA funds.

### Separation of functions

In addition, the organization of your school’s administrative offices must be organized in such a way that there is a *separation of function* that ensures that no single person or office can authorize FSA awards *and* disburse the awarded funds. Small schools are not exempt from this requirement even though they may have limited staff. Individuals working in either authorization or disbursement may perform other functions as well, but not both authorization and disbursement. These two functions must be performed by individuals who are not members of the same family and who do not together exercise substantial control over the school. If a school performs any aspect of these functions via computer, no one person may have the ability to change data that affect both authorization and disbursement.

### Hiring prohibitions

When filling positions, your school needs to ensure that none of the applicants have been debarred or suspended, or have previous offenses or liabilities that would affect its eligibility to participate in the FSA programs.

- Before a school may receive FSA funding, it must certify that neither the school nor its employees have been debarred or suspended by a federal agency. (See Volume 2 of the *FSA Handbook* for a discussion of the school’s responsibilities.)
- A school may not employ an individual who will be involved in the administration of FSA programs or the receipt of FSA funds if the individual has been convicted of (or has pled *nolo contendere* or *guilty*) to a crime involving the acquisition, use, or expenditure of federal, state, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.
- A school is not financially responsible if any person who exercises substantial control over the school (or any members

of the person's family alone or together) owes a liability for an FSA program violation or has ever exercised substantial control over another school (or a third-party servicer) that owes a liability for an FSA program violation.

### Third-party servicers

Schools are permitted to contract with consultants or third-party servicers to carry out some of the administrative requirements for the FSA programs. However, the school ultimately is responsible for the use of FSA funds and will be held accountable if the consultant or servicer mismanages the programs or program funds.

When the school contracts with a servicer, the servicer must agree to comply with all applicable requirements, to refer any suspicion of fraudulent or criminal conduct in relation to FSA program administration to ED's Office of Inspector General, and, if the servicer disburses funds, to confirm student eligibility and return FSA funds (if required) when a student withdraws.

If the contract is terminated, or the servicer ceases to perform any functions prescribed under the contract, the servicer must return to the school all unexpended FSA funds and records related to the servicer's administration of the school's participation in the FSA programs.

As when hiring individuals, a school may not contract with a third-party servicer who has been debarred or suspended, or has previous offenses or liabilities that make the servicer ineligible for FSA purposes. (See Volume 2 of the *FSA Handbook* for additional information.)

### Notifying ED of Third-party servicers

A school must notify ED within 10 days if the school begins or ends a contract with a third-party servicer (use the E-App—Section J). You don't need to provide a copy of the contract unless ED requests a copy.

Also note that your school must obtain a signed *Certification By Lower Tier Contractor* from all of its third-party servicers, including those whose contract begins at any time after the PPA was signed. Please note that while schools must report ATB Testers with the third-party servicers in Section J of the E-App, they are not considered a third-party servicer and the school does not need to obtain a signed *Certification By Lower Tier Contractor* from the ATB Tester(s).

## Third-party servicers defined

A third-party servicer is an individual or organization that enters into a contract (written or otherwise) with a school to administer any aspect of the school's FSA participation, such as:

- processing student financial aid applications, performing need analysis, and determining student eligibility or related activities;
- certifying loans, servicing loans, or collecting loans;
- processing output documents for payment to students, and receiving, disbursing, or delivering FSA funds;
- conducting required student consumer information services;
- preparing and certifying requests for advance cash monitoring or reimbursement funding, preparing and submitting notices and applications required of eligible and participating schools, or preparing the Fiscal Operations Report and Application to Participate (FISAP); or
- processing enrollment verification for deferment forms or Student Status Confirmation Reports.

A person or organization performing the following functions is *not* considered to be a third-party servicer and is not subject to third-party servicer requirements.

- performing lockbox processing of loan payments;
- performing normal electronic fund transfers (EFTs) after being initiated by the school;
- publishing ability-to-benefit tests;
- financial and compliance auditing;
- mailing documents prepared by a school or warehousing school records;
- participating in a written arrangement with other eligible schools to make eligibility determinations and FSA awards for certain students; and
- providing computer services or software.

An employee of a school is not a third-party servicer. For this purpose, an employee is one who:

- works on a full-time, part-time, or temporary basis,
- performs all duties on site at the school under the supervision of the school,
- is paid directly by the school,
- is not employed by or associated with a third-party servicer, and
- is not a third-party servicer for any other school.

## Checklist

See Appendix B for a checklist of requirements for participation in the FSA programs. In addition to student aid and systems requirements, note that a school also must meet general requirements for student consumer information, campus security, privacy of educational records, etc., that are not directly connected to student aid.

## Establishing school and financial aid procedures

A school is required to have written policies for admissions, satisfactory academic progress, refunds, and other determinations, and in many cases, the school is required to make these policies readily available to enrolled students and/or prospective students and their families.

In general, it is a good practice to maintain a procedures manual at your school that describes how application information is verified, how aid is awarded and disbursed, the process for requesting and handling special circumstances (use of professional judgment), and the process for handling satisfactory academic progress appeals, etc. A procedures manual helps ensure equal treatment for all of your students, and can be used to demonstrate compliance with FSA program rules.

## CONTINUING PARTICIPATION REQUIREMENTS

After a school begins participating in the FSA programs, it is responsible for following certain general requirements. We've listed these requirements in Appendix B—they are discussed in greater detail in Volume 2 of the *Federal Student Financial Aid Handbook*.

Several of these requirements are of particular interest to new schools, so we will briefly describe them below.

### Cohort Default Rates

Your school may lose eligibility to participate in the FSA programs if it has a cohort default rate for Stafford (Subsidized/Unsubsidized Direct) loans that equals or exceeds 25% for one or more of the three most recent fiscal years or if the most recent cohort default rate is greater than 40%.

Generally speaking, a cohort default rate (CDR) is the percentage of a school's student borrowers who enter repayment on Direct Subsidized or Unsubsidized (Stafford/Ford) loans during a particular fiscal year and who default before the end of the next fiscal year. (There are other criteria and exceptions — see the complete definition in the *Cohort Default Rate Guide*, which is available in the Publications area of the IFAP Web site.)

The Department releases *draft* default rates in February to allow schools an opportunity to review and correct the data that will be used to calculate their official cohort default rates. In the early fall of each year, the Department issues the *official* cohort default rates. Under certain conditions, a school may be able to submit an appeal if it is subject to a loss of eligibility. See the *Cohort Default Rate Guide* for more information.

We encourage schools to take an active role in monitoring their default rates and taking preventive measures to reduce the potential for default. Thorough loan counseling is essential to make sure that students only borrow what they need for educational expenses, understand the responsibility to repay the loan, and know their repayment options. In addition, many schools have found it helpful to stay in touch with their student borrowers during repayment, to identify borrowers who are in delinquency, and to remind borrowers of their repayment options, including forbearance and deferment.

### 90/10 rule

A proprietary institution may derive no more than 90% of its revenues from the FSA programs. The calculation rules (what can be counted in overall revenues versus revenues from FSA programs) are described in Volume 2 of the *FSA Handbook*.

If a school fails to satisfy the 90/10 Rule for one year, its participation status becomes provisional for two fiscal years. However, if the school does not satisfy the 90/10 Rule for 2 consecutive fiscal years, it loses its eligibility to participate in the FSA programs for at least 2 fiscal years. Schools have 90 days after their most recently completed fiscal year has ended to report to the Department if they did not satisfy the 90/10 Rule for the fiscal year.

## Other financial standards

The Department calculates financial ratios (primary reserve, equity, and net income) for proprietary and private non-profit schools based on their annual audited financial statements. The ratios are then used to derive a composite score for the school.

A proprietary or private non-profit school must maintain a composite score of 1.5 to be considered financially responsible. A school with a composite score below 1.5 may participate under an alternative standard of financial responsibility which includes additional Department oversight and may require the school to post a letter of credit.

In addition, a school must maintain sufficient cash reserves to return FSA funds when a student withdraws, and it must be current in its debt payments.

## Audits

A school generally must have an independent auditor conduct an annual audit of the school's compliance with the laws and regulations that are applicable to the FSA programs in which the school participates (compliance audit), and an audit of the school's financial statements (financial statement audit).

Normally, all financial statement and compliance audits conducted to satisfy the annual audit requirement must be done in accordance with the Department's *FSA Audit Guide*. However, public colleges, State and local universities, and non-profit schools must have their audits conducted in accordance with OMB *Circular A-133*. (Circular A-133 allows an FSA compliance audit under the criteria of the Department's *FSA Audit Guide* under limited circumstances.)

All audits must be based on the school's fiscal year. FSA audits must be submitted to the Department within six months after the close of the fiscal year, while Circular A-133 Audits must be submitted within nine months after the close of the fiscal year. All audits are submitted to the Department through the eZ-Audit Web site, which is the same site used to submit the audits required for initial eligibility.

## Program reviews

The Department conducts program reviews to confirm that a school meets FSA requirements for institutional eligibility, financial responsibility, and administrative capability. Program reviews are not conducted on a regular schedule. The Department selects schools for review giving priority to those that meet criteria specified in the law.

These program reviews are typically conducted by the School Participation Teams, but may be conducted by the Department's Office of the Inspector General.

Program reviews may also be conducted by the agencies which guaranty the school's FFEL program loans. These reviews will focus primarily on FFEL administration and the General Provisions requirements in the regulations that relate to FFEL recipients. Schools with high student loan default rates are more likely to have a program review conducted by a guaranty agency.

Schools participating in the FSA programs must cooperate with program reviews conducted by representatives of the Department, the Office of the Inspector General, and guaranty agencies.

## Waiver of audit requirement

A proprietary school can request a waiver of the requirement for an annual audit if it disbursed less than \$200,000 in each of the two most recently completed award years. (A new school will not be eligible for an audit waiver until it has participated in the FSA programs under the same ownership for at least 3 award years preceding the school's waiver request.)

The Department can approve a waiver of the audit requirement for up to 3 years, but note that the ensuing audit will still cover the years of the waiver approval.

A public or private nonprofit institution that expends less than \$500,000 in federal funds in a fiscal year is exempt from filing compliance audits *after* the school gains initial eligibility.

## FSA Audit Guide

The full name of the *FSA Audit Guide* is "Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers." The *FSA Audit Guide* can be found in the Publications area of the IFAP Web site.

## OMB Circular A-133

*Circular A-133* is a release of the Office of Management and Budget. Its full name is "Audits of States, Local Governments, and Non-profit Organizations" [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)

## Updating & Recertification

Schools must apply for recertification 3 to 6 months prior to the expiration of their PPA. The Reapplication Date indicated on the PPA is the deadline for submitting the recertification application through the E-App Web site. While ED will send reminder notices about this requirement, the school is responsible for submitting the application by the deadline even if those notices are not received.

If ED receives an application no later than 90 days prior to the expiration date of the PPA and the application is materially complete when submitted, the school will automatically be on a month-to-month certification until ED issues its decision on the application. During the recertification process, the school must report updated information to ED.

If the school remains eligible, a new PPA will be issued in response to the recertification application. The school may remain on provisional certification or may be fully certified. After the initial approval, schools may be recertified for up to 4 years. After the first recertification, schools are typically recertified for 3 to 6 years. However, schools that fail to meet the eligibility requirements may be denied recertification.

## UPDATING SCHOOL APPLICATION DATA

### Expanding eligibility

The ECAR that the Department sends to the school identifies the educational programs and locations that are eligible. (The eligibility of a school and its programs does not automatically include separate locations and extensions.) If a school wishes to extend its eligibility to include a location at which at least 50% of an education program is offered, or to provide aid to students in an educational program that is not listed on the ECAR, the school must ensure that it applies and receives approval for any new educational program or location.

For a school that is new to the FSA programs, new additional locations will not generally be allowed during the initial provisional certification period. Applications for adding additional locations are usually not considered until the school has submitted a compliance audit covering a full year of participation, and that audit has been reviewed by the Department.

Generally, schools in their initial period of participation may not award FSA funds to a student in an educational program that is not included in the school's approval documents. During the initial period of participation in the FSA programs for these school, the Department will not approve additional educational programs that would expand the school's eligibility.

An exception would be considered if the school demonstrates that the program has been legally authorized and continuously provided for at least two years prior to the date of the request. "Continuously provided" includes the requirement that there have been students enrolled and attending the program for the entire two-year period, with no gaps other than for normal, scheduled vacation breaks and holiday periods, or for a period when the school temporarily closed due to a natural disaster that directly affected the school or its students.

### Reporting Changes

A school is required to report changes to certain information on its application within 10 days, as listed in the chart on the following pages. If a change occurs in an E-App item not listed on the following pages, the school must update the information when it applies for recertification.

When a school submits an E-App to report a change, if further action is needed, the Department will tell the school how to proceed, including what materials and what additional completed sections of the E-App need to be submitted. If you have questions about changes and procedures, you should contact the School Participation Team for your state.

## E-App changes requiring prior written approval from ED

All schools must report and wait for written approval before disbursing funds when the following occur (the number in parentheses refers to the number of the question on the E-App):

- a change in accrediting agency (notify the Department, when you **begin** making any change that deals with your school's institution-wide accreditation) (#15);
- a change in state authorizing agency (#17);
- a change in institutional structure (#18);
- an increase in the level of educational programs beyond the scope of current approval (#26);
- the addition of accredited and licensed nondegree programs beyond the current approval (#27);
- the addition of short-term (300–599 clock hour) programs (#27);
- changes to the FSA programs for which the school is approved.\* (Approvals from your accrediting agency and state authorizing agency are **not** required for this change.) (#37);
- a change in the type of ownership (#22-24);
- a change in ownership (#24); and
- the addition of an accredited and licensed location (#30) when a school—
  - » is provisionally certified; or
  - » is on the cash monitoring or reimbursement system of payment; or
  - » has acquired the assets of another school that provided educational programs at that location during the preceding year, and the other school participated in the FSA programs during that year; or
  - » would be subject to a loss of eligibility under the cohort default rate regulations (34 CFR 668.188) if it adds that location; or
  - » has been advised by the Department that the Department must approve any new location **before** the school may begin disbursing FSA funds.

When one of the changes that requires the Department's written approval occurs, a school must notify the Department. The school must apply to the Department for approval of the change via the electronic application within 10 calendar days of the change. As soon as the school has received approvals for the change from its accrediting agency and state authorizing agency, it must send to the Department:

- copies of the approval for the change,
- any required documentation, and
- Section L of the E-App containing the original signature of the appropriate person

\* For TEACH Grants, select "Add TEACH Grants" and then use question 69 to explain the eligibility criteria that your school meets for TEACH Grant participation. See Dear Colleague Letter GEN 08-07, posted on June 3, 2008.

## E-App changes that do not require ED's written approval

Though they need not wait for the Department's approval before disbursing funds, all schools must **report** the following information to the Department.

- change to name of the school\* (#2)
- change to the name of a CEO, president, or chancellor (#10)
- change to the name of the chief fiscal officer or chief financial officer (#11)
- change in the individual designated as the lead program administrator (financial aid administrator) for the FSA programs (#12)
- change in governance of a public institution (#24)
- a decrease in the level of program offering (e.g., the school drops all its graduate programs) (#26)
- change from or to clock hours or credit hours (#27)
- address change for a principal location\* (#29)
- name or address change for other locations\* (#30)
- the closure of a branch campus or additional location that the school was required to report (#30)
- the addition of an accredited and licensed location unless the school meets the conditions specified on the previous page (34 CFR 600.20(c)(1)) (#30)
- change to the school's third-party servicers that deal with the FSA program funds (#58)

When one of these changes occurs, a school must notify the Department by reporting the change and the date of the change to the Department via the E-App within 10 calendar days of the change. In addition, a school must send to the address below

- any required supporting documentation, and
- Section L of the E-App containing the original signature of the appropriate person.

## Foreign school reporting on the E-App

A **foreign school** must report changes to its postsecondary authorization (#42), degree authorization (#43), program equivalence (#44), program criteria (#45), or to its U.S. administrative or recruiting office (#46).

A **foreign medical school** must report changes to the facility at which it provides instruction (#47), its authorizing entity (#46), the approval of its authorizing entity (#46), the length of its program (#46), or the clinical or medical instruction that it provides in the U.S.

## Other changes reported on the E-App

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- Change to address for FSA mailings to an address different than the legal street address (#13)
- Change to address for FSA mailings to an additional location that is different than the legal street address (#30)
- Change of Taxpayer Identification Number (TIN) (#6a)
- Change of DUNS number (#6b)
- Change in board members (#20)
- Reporting foreign gifts (see Chapter 12) (#71)
- Change to institution's Web site address (#9)
- Change of phone/fax/e-mail of CEO, president, or chancellor (#10)
- Change of phone/fax/e-mail of CFO (#11)
- Change of phone/fax/e-mail of financial aid administrator (#12)

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- As soon as it has received approvals for the change from its accrediting agency and state authorization agency, a school must send the Department copies of the approvals for change.