



GEN-15-04

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Subject: Statement of Policy for Nonprofit College Access Organizations Presumed to Qualify as Additional Designated Entities Under the *FAFSA Completion Initiative*

Summary: This letter announces the criteria under which nonprofit college access organizations are presumed to qualify as designated entities eligible to receive FAFSA Filing Status Information under the *FAFSA Completion Initiative*.

Dear Colleague:

Under the Student Aid Internet Gateway (SAIG) Participation Agreement for State Grant Agencies (SAIG Participation Agreement),¹ as part of the *FAFSA Completion Initiative*, secondary schools, local educational agencies (LEAs), and certain “designated entities”² are eligible to receive “FAFSA Filing Status Information.”³ In Dear Colleague Letter GEN-14-12, published on July 10, 2014, we informed state grant agencies that the Secretary had determined the first set of “designated entities” under the SAIG Participation Agreement. The “designated entities” announced in GEN-14-12 were grantees of the U.S. Department of Education under the TRIO Programs and the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR-UP) as well as certain American Indian and Alaskan Native educational organizations.

In this letter, we inform state grant agencies that the Secretary has identified nonprofit college access organizations as an additional set of “designated entities” that may be eligible, on a case-by-case basis, to receive FAFSA Filing Status Information.

¹ The SAIG Participation Agreement for State Grant Agencies is available on the Department’s website at ifap.ed.gov/dpccletters/attachments/GEN1412StateAgencyEnrollmentForm20142015.pdf.

² See the definition of “Designated Entity” in Part 2, Section C (Definitions), number 2 of the SAIG Participation Agreement.

³ See the definition of “FAFSA Filing Status Information” in Part 2, Section C (Definitions), number 6 of the SAIG Participation Agreement.

A state grant agency may presume that a nonprofit college access organization qualifies as such a “designated entity” if the nonprofit organization (1) meets the standard requirements for designated entities set forth in the SAIG Participation Agreement, and (2) has been identified by the state grant agency as meeting the criteria listed below. This presumption is subject to monitoring and review by the Secretary.

Standard SAIG Participation Agreement Requirements for Designated Entities

The SAIG Participation Agreement sets forth the standard requirements that apply to any secondary school, LEA, or designated entity – including the nonprofit college access organizations described in this letter – to receive FAFSA Filing Status Information under the *FAFSA Completion Initiative*.⁴ Among other requirements, prior to receiving FAFSA Filing Status Information from a state grant agency, the entity must have executed a written agreement with the state grant agency.⁵

As is the case for a secondary school, an LEA, or for other designated entities, FAFSA Filing Status Information provided to a nonprofit organization may only be provided to authorized personnel and only for authorized uses.⁶

Further, the nonprofit organization may only receive FAFSA Filing Status Information for a student with whom it has an “established relationship.”⁷ An established relationship exists between a student and a designated entity when the student is enrolled in, has registered with, or is receiving services from the designated entity in the pursuit of postsecondary education.

⁴ The complete requirements applicable to the *FAFSA Completion Initiative* are contained in the SAIG Participation Agreement. For the convenience of the reader only, this letter outlines and describes some, but not all, of those standard requirements under the SAIG Participation Agreement applicable to secondary schools, LEAs, and designated entities participating in the *FAFSA Completion Initiative*.

⁵ See the requirements for the written agreement in Part 2, Section G of the SAIG Participation Agreement.

⁶ See the definitions of “Authorized Personnel” in Part 2, Section C (Definitions), number 1 and the provisions for “Authorized Uses” in part Two, Section F, of the SAIG Participation Agreement.

⁷ See the definition of “Established Relationship” in Part 2, Section C (Definitions), number 4 of the SAIG Participation Agreement.

Additionally, the nonprofit organization may not use a third party to perform any of the functions related to the receipt of FAFSA Filing Status Information it receives from a state grant agency.

Finally, the nonprofit organization must provide confirmation to the state grant agency that it has the capacity to fully meet all relevant data security and privacy requirements as provided in the written agreement between the state grant agency and the organization as required under the SAIG Participation Agreement.

Criteria for Identifying Nonprofit College Access Organizations Presumed to Qualify as Designated Entities

In addition to meeting the standard requirements in the SAIG Participation Agreement for designated entities outlined above, a state grant agency may presume that a nonprofit college access organization qualifies as a designated entity eligible to receive FAFSA Filing Status Information from the state grant agency if the state grant agency identifies the nonprofit organization as meeting the criteria listed below. Thus, subject to case-by-case review and monitoring by the Secretary, a rebuttable presumption exists that a nonprofit college access organization qualifies as a designated entity under the *FAFSA Completion Initiative* if the state grant agency identifies the nonprofit organization as meeting, and continuing to meet, each of the following six criteria:

1. The nonprofit organization is, and continues to be, designated as tax-exempt by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code.
2. The nonprofit organization has as part of its mission a stated and demonstrated commitment to promoting college access and a record of legitimacy and reliability.
3. The nonprofit organization provides its services primarily to economically disadvantaged clients.
4. The nonprofit organization does not charge students, families, other clients, or schools for any of its services.
5. Neither the nonprofit organization itself, nor any of its affiliates or its parent organization, if any, has been administratively or judicially formally accused of committing or determined to have committed fraud or any other material violation of law involving Federal, state, or local government funds.

6. The nonprofit organization has submitted a written statement to the state grant agency certifying that each of the above criteria has been met and that the nonprofit organization will immediately notify the state grant agency, in writing, if it does not or cannot continue to meet any of those criteria.

If the state grant agency determines that the nonprofit college access organization meets all of the above criteria, and the state grant agency has procedures in place to ensure that the nonprofit organization continues to meet those criteria, the state grant agency may presume that the nonprofit organization will qualify as a designated entity under the guidance provided in this letter. The state grant agency may therefore enter into a written agreement to provide FAFSA Filing Status Information to such identified nonprofit college access organizations.

In the event that the nonprofit organization notifies the state grant agency that it no longer meets the criteria, or that the state grant agency determines that the nonprofit organization no longer meets the criteria, the nonprofit organization would no longer be entitled to a rebuttable presumption that it qualifies as a designated entity eligible to receive FAFSA Filing Status Information. The state grant agency and nonprofit organization must terminate their written agreement if the nonprofit organization ceases to qualify as a designated entity.

Pursuant to the SAIG Participation Agreement, the Secretary may request from the state grant agency documentation supporting the agency's identification of a nonprofit organization as one meeting all of the criteria listed above and therefore, entitled to the rebuttable presumption that it can participate as a designated entity in the *FAFSA Completion Initiative*.⁸

Sincerely,



James W. Runcie
Chief Operating Officer

⁸ See the provisions for "Oversight and Compliance" in part Two, Section L, of the SAIG Participation Agreement.