Spring 2019

SCHOOL ELIGIBILITY

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SCHOOL ELIGIBILITY

- Institutional Eligibility Requirements
- E-APP
- PPA
- ECAR
- Updating the Application
- Recertification
- FISAP

INSTITUTIONAL ELIGIBILITY REQUIREMENTS

- Be legally authorized by a state as a postsecondary institution
- Be accredited
- Provide an eligible program
- Admit as regular students only individuals with a high school diploma or its recognized equivalent or individuals beyond the age of compulsory school attendance in the state where the institution is located

INSTITUTIONAL ELIGIBILITY REQUIREMENTS
(CONT.)

- Provide no more than 50% of its courses by correspondence

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

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

- Have no bankruptcy, crime with Title IV, or fraud by school or owner

WHAT IS THE E-APP (ELECTRONIC APPLICATION)?

- Application for Approval to Participate in the Federal Student Financial Aid Programs
- Located at https://www.eligcert.ed.gov/
- Apply for recertification
- Report all types of changes regarding school eligibility, including: change of officials, additional locations, and educational programs

HTTPS://WWW.ELIGCERT.ED.GOV/

WHAT IS THE PROGRAM PARTICIPATION AGREEMENT OR PPA?

- A contract between the institution and the Department which outlines the regulations that the school is required to follow
- When your school goes through any process where a new PPA is generated by the Department, the previous PPA is void as of the new PPA date
- The countersigned PPA must be kept on file by the school, along with a copy of the most recent Eligibility Certification and Approval Report (ECAR)

WHAT HAS EAN DONE WRONG?

- The countersigned PPA must be kept on file by the school.
- Where should you keep it?
- Have you ever been asked for it?
- Who's responsibility is it to keep the document?

WHAT IS THE ELIGIBILITY CERTIFICATION APPROVAL REPORT (ECAR)?

- A snapshot of the institution's participation, programs, location, officials, etc.

- A current copy of the ECAR must be kept on file by the school

UPDATING THE APPLICATION (ACKNOWLEDGEMENTS)

- Change to the name of the school
- Change of address for main or additional location
- Closure of a previously approved location
- Change from/to clock-hours or credit-hours
- Decrease in the level of educational programs
- Change in members of Board of Directors

UPDATING THE APPLICATION

- Change to reported President
- Change to reported Chief Financial Officer
- Change to reported Financial Aid Director
- New person/entity acquires 25% or greater ownership without a change in control

UPDATING THE APPLICATION

- 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

UPDATING THE APPLICATION

- Acknowledgements (Updates)

  - Report within 10 days of the change

  - No need to wait for approval

WHAT HAS EAN DONE WRONG?

- Was there a change to a third party servicer that you failed to report?
- Your school hired a new CFO, did you remember to report this change?
- Do your Board Members change each year?
- Do you list your Executive Committee only and reporting secretary?
- Did you report the update within 10 days?

UPDATING THE APPLICATION (APPROVALS)

- New locations seeking Title IV eligibility
- New educational programs seeking Title IV eligibility
- Adding educational program(s) at a higher level than for which you are currently approved

UPDATING THE APPLICATION

- Fully certified schools must report:
  - New locations
  - New educational programs

- Change in ownership resulting in a change in control

- Change in accreditor

UPDATING THE APPLICATION

New Locations

- ECAR lists the main location and approved additional locations
- Eligibility does not automatically extend to separate locations and extensions

UPDATING THE APPLICATION

New Locations

- If 50% or more of an educational program is offered at a new location, the school must report the location to ED
- In some cases, the school must wait for ED's approval

WHAT HAS EAN DONE WRONG?

- How do you know if a location is offering more than 50% of a program?
- Can you prove that a location is not offering more than 50% of a program? Who monitors this?
- Are you informed of new locations?
- What is considered a new location (geographic region)?
- How are you informed of program changes?
- How are you informed of new educational programs? Or new program levels?

UPDATING THE APPLICATION

New Locations

- School must wait for approval before disbursing Title IV funds if the institution is:
  - Provisionally certified
  - On cash monitoring or reimbursement
  - Acquiring the assets of another institution
  - Subject to a loss of eligibility under 668.188 (default rates),
  - Required by ED to receive approval before disbursing Title IV funds

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UPDATING THE APPLICATION

New Locations

- School should consult with their School Participation Division if:
  - Location was a facility of another institution that has since closed
  - School is providing a teach-out of a closing school at the closing school's location

UPDATING THE APPLICATION

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

UPDATING THE APPLICATION

New Locations

- Location Eligibility Requirements:
  - Accreditor and state/foreign government approval is appropriate
  - Street address provided
  - If located at the site of a formerly eligible location, meets all requirements to become an eligible location of another institution
  - If located at the site of a currently eligible location, an established relationship between the two institutions and/or if the location is changing affiliation

UPDATING THE APPLICATION

New Educational Programs

- ECAR lists the eligible program levels
- ECAR lists the eligible programs approved by ED
- Fully certified institutions may make a self-determination of program eligibility in some cases
- Provisionally approved institutions, must report and obtain approval before disbursing funds to enrolled students

UPDATING THE APPLICATION

New Educational Programs

- The school must submit an E-App reporting the new Educational program(s) before disbursing funds if:
  - The school is provisionally certified,
  - The school is receiving funds under reimbursement or another cash monitoring payment method,
  - The program is measured by direct assessment,
  - The program is a comprehensive transition and postsecondary program

UPDATING THE APPLICATION

New Educational Programs

- The school must submit an E-App reporting the new Educational program(s) before disbursing funds if:
  - The school is subject to the two-year rule
  - The school's PPA says approval is required before adding educational programs
  - The school is in its initial period of participation and subject to the two-year rule

UPDATING THE APPLICATION

- The school may make a self-determination of eligibility for new educational programs, and disburse funds to students if it not required to receive approval provided that:
  - Schools determine programs are eligible and have received both the required state and accrediting agency approvals before disbursing funds to enrolled students
  - For new GE programs, the school submits an E-App within 10 days of the school receiving final approval from both it's state and accreditation agencies in order to make the change
  - Each program must meet all required GE Disclosure, Reporting, and Certification requirements

UPDATING THE APPLICATION

New Educational Programs

Reporting self-determined programs on the E-App
- Institutions are encouraged to report programs for which they have made a self-determination, during recertification or sooner
- The eligibility of these programs will be reviewed prior to the program being added to the ECAR as an eligible program

UPDATING THE APPLICATION

New Educational Programs

- ED reviews applications for all reported educational programs ensuring:
  - Reported programs meet eligibility requirements
  - School's administrative and financial capability (if program approval is required)
- If approved, school may disburse/continue to disburse funds after receiving their approval letter
- If not approved, school is liable for disbursements made

UPDATING THE APPLICATION

New Educational Programs

- Program Eligibility Requirements:
  - Accreditor and state approval matches E-App (name and program length)
  - CIP Code consistent with name of program
  - Leads to a recognized occupation (SOC code) where required
  - Meets minimum weeks and clock or credit hours
  - Meets clock to credit conversion where required

WHAT HAS EAN DONE WRONG?

- Does the new location have approval from the HLC?
- Does the new location have approval from the state?
- Does your new program have HLC and state approval?
- Does your new program name, length, and CIP Code remain consistent across your website, AS-28, and E-App
- How do you know it is a GE program?

UPDATING THE APPLICATION

- Documentation the school must send to ED:
  - Accrediting agency and state authorization approvals for changes or additions
  - Any required documentation in section M
  - Section L of the E-App containing original signature of the appropriate person

WHAT HAS EAN DONE WRONG?

- How do you receive accreditor approval documentation for new programs?
- How do you document state approval?

RECERTIFICATION

- All schools <u>must</u> go through recertification
  - End of each active Program Participation Agreement (PPA)

PROGRAM PARTICIPATION AGREEMENT

Effective Date of Approval:	The date on which this Agreement is signed on behalf of the Secretary of Education
Approval Expiration Date:	**March 31, 2018**
Reapplication Date:	**December 31, 2017**

RECERTIFICATION

- Application time frames & deadlines
  - The E-App for Recertification should be submitted by the "Reapplication date" on your PPA

PROGRAM PARTICIPATION AGREEMENT

Effective Date of Approval:	The date on which this Agreement is signed on behalf of the Secretary of Education
Approval Expiration Date:	**March 31, 2018**
Reapplication Date:	**December 31, 2017**

RECERTIFICATION TIME FRAMES & DEADLINES

- As long as the E-App is submitted before the Reapplication deadline, the PPA will automatically be extended month-to-month until the review of your application is completed by an Eligibility Analyst

WHAT HAS EAN DONE WRONG?

- Was your Recertification approved in time?
- Can you prove to your auditor that your Recertification was submitted on time?
- Is your website up to date?
- How up to date is your Consumer Information?
- How does your R2T4 information look on your website?
  - Does it have a sample calculation?

RECERTIFICATION

Documents to send in for recertification
- The most recent copy of accreditation documents (both approval letter and list of approved programs, if applicable)
- The most recent copy of State Authorization documents (both approval letter and list of approved programs, if applicable)
- Copies of the following policies may be requested:
  - Admissions, Satisfactory Academic Progress, Institutional Refund, and Return of Title IV Funds
- Section L with an original signature
- Section M if a proprietary institution
- IRS Form 501(c)(3) if a private nonprofit institution

RECERTIFICATION

Wrapping up the recertification application process
- After your recertification application has been processed and your new PPA is generated by the Department, you will receive an email with the next steps:
  - You have 30 days to sign and return TWO copies of your new PPA to the Department
  - You'll receive ONE copy of the PPA back, countersigned by the Department
  - The countersigned PPA must be kept on file by the school, along with a copy of your most recent ECAR
  - Pay close attention to the expiration date of your new PPA and mark the next application deadline on your calendar
  - Note whether your school has been fully certified to participate or is provisionally approved to participate (and if provisional, note the conditions)

FISCAL OPERATIONS REPORT AND **AP**PLICATION TO PARTICIPATE IN CAMPUS-BASED PROGRAMS (FISAP)

- Campus-Based programs include:
  - Federal Perkins Loan Program (**Perkins**),
  - Federal Supplemental Educational Opportunity Grant (**FSEOG**) Program
  - Federal Work-Study (**FWS**) Program

FISAP

- FISAP due Oct. 1, 2019: Fiscal Operations Report for 2018-19 (*Parts III-VI*) and Application to Participate for 2020-21 (*Parts I-II*)
- Campus-Based processes span three years:
  - reporting
  - current
  - application

FISAP

- How is your FISAP data used?
  - Assess need for Campus-Based funding at both national and individual school levels

FISAP

- Part I. Identifying Information, Certification, and Warning
  - Financial Aid Administrator (FAA) should reflect name of the FAA who submitted that FISAP
  - President/CEO can only be updated on the Program Participation Agreement (*not on the FISAP*)
  - Signature page must be submitted **after** FISAP is complete

FISAP

- Part II. Application to Participate
  - Section A, Request for Funds
    - Award amount will never exceed the request
  - Section B, Perkins Liquidation Request
    - What happens when you check 'Yes'?
  - Section C, Underuse Waiver Request
    - Applicable when returning >10% of FSEOG or FWS allocations

WHAT HAS EAN DONE WRONG?

- Have you spent all your campus based funds?
- How do you track your spending? What tools do you use?
- How do you form a budget? How do you allocate funds to departments?
- Did you underspend (underuse)?
- Do you need to file a waiver?

FISAP

•Part II. Application to Participate
- Campus-Based funding formula incorporates ALL data reported in Part II *(except Perkins)*
- Uses information about enrollment, eligible aid applicants, costs, and resources to assess a school's share of Campus-Based funding
- Verify Part II data *before* Dec. 15 and again *after* tentative awards - *no increases after finals!*

FISAP

•Part II. Application to Participate
- Section D, Information on Enrollment
  - Includes less than full-time students
  - Count student as grad if they became one in a later term
- Section E, Assessments & Expenditures
  - Tuition & Fees - Section D students only
  - Federal Pell Grant Expenditures – Must agree with G5

WHAT HAS EAN DONE WRONG?

- Did you ask for Tuition and Fees information from your Business Office early?
- Do your Pell Grant expenditures match G5? Are you unreconciled?

FISAP

•Part II. Application to Participate
- Section F, Information on Eligible Aid Applicants
  - Include any enrolled aid applicant with official Expected Family Contributions (EFC) (does not need to demonstrate need or receive aid)
  - Use student's FASFA® Total Income (FTI) from the *Institutional Student Information Record* (ISIR) to place students in correct income categories

FISAP

•Part IV. Federal Student Education Opportunity Grant (FSEOG) Program & Part V. Federal Work-Study (FWS) Program
- Section A, Federal Funds Authorized
  - Field 1 (*Final adjusted Federal Supplemental FSEOG/FWS authorization)* should *always* reflect authorization amount as of the Fiscal Operations Report and Application to Participate (FISAP) deadline – do not update!
  - *Include* supplemental award, *exclude* funds returned through reallocation in August

WHAT HAS EAN DONE WRONG?

- When formatting your budget, did you include supplemental award information?
- When completing the FISAP, did you include the supplemental award information?

FISAP

•Part IV. FSEOG & Part V. FWS
- Section B, Federal Funds Available
  - Transfer up to 25% from FSEOG to FWS or vice versa (*no Perkins transfers as of 2018-19*)
  - Updates to carry forward/carry back for closed award years should rarely happen!
  - Funds are not transferred between G5 accounts

FISAP

•Part IV. FSEOG & Part V. FWS
- Section C (totals) & Section D (federal share)
  - Required institutional match is 25% of **total** funds expended, *not* 25% of federal authorization
  - Typically must update these sections when returning federal funds
  - *Not required to report prior year recoveries for closed award years unless directed by the Department*

FISAP

•Part IV. FSEOG & Part V. FWS
- Section E, Use of FSEOG/FWS Authorization
  - Unexpended FSEOG (Field 18) / FWS (Field 19) de-obligated from G5 at annual closeout in Jan./Feb.
  - Once de-obligated from G5, *funds are not reinstated*
    - FISAP updates *after* Dec. 15: Any unspent/returned federal share should be reflected as unexpended funds

FISAP

•Part VI. Program Summary
- Section A, Distribution of Program Recipients and Expenditures by Type of Student
  - Include total funds received (federal and institutional)
  - Should be updated whenever awards to students in Parts III, IV, or V are updated

FISAP

- Part VI. Program Summary
  - Section B, Calculating the Administrative Cost Allowance (ACA) (for FWS and FSEOG)
    - No more Perkins ACA
    - Must claim *before* Dec. 15! *(no increases permitted)*

WHAT HAS EAN DONE WRONG?

- Are you and the Business Office on the same page concerning ACA?
- How do you communicate the proper ACA amount with the Business Office?

QUESTIONS?