TITLE IV ELIGIBILITY: GENERAL REQUIREMENTS FOR STUDENTS AND INSTITUTIONS

NOVICE TRACK

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Do not require information from Dept. of Ed.
Schools must determine whether the student meets these eligibility requirements
FA will need to get info from other institutional offices (in some cases)
  • i.e. Registrar, Admissions, etc.
14-15 FSA Handbook Volume 1, Chapter 1
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

• Must be enrolled as a regular student in an eligible program (p. 3-5)
  • Enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school
    • Additional restrictions for:
      • Conditional acceptance, remedial coursework, preparatory coursework, teacher certification coursework, students with intellectual disabilities

• Enrollment in elementary or secondary school (p. 5)
  • Not eligible for Title IV aid even if concurrently enrolled in college-level coursework
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

• Academic qualifications (p. 6-8)
  • Has a high school diploma
    • Can be from foreign school if equivalent to U.S. HS diploma
  • Has the recognized equivalent of a HS diploma (GED)
  • Has completed homeschooling at the secondary level as defined by state law
  • Has completed secondary school education in homeschool setting which qualifies for an exemption from compulsory attendance requirements under state law, if state law does not require a homeschooled student to receive a credential for their education (see Vol. 2, Ch. 1)

Ability to Benefit: New students enrolled after 7/1/12 no longer eligible via passing approved ABT or by completing at least 6 credit hours (225 clock hours)
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

• Satisfactory Academic Progress (p. 9-13)
  • Student must make SAP and school must have reasonable policy for monitoring progress
    • Policy must be at least as strict as SAP for students enrolled in same program not receiving FSA funds and must apply to all categories (PT, FT, UGRD, GRAD)
    • Different SAP policies may be applied to different academic programs
    • Programs < 1 year: Must eval at end of payment period
    • Programs > 1 year: May review annually or after each payment period

  • Must specify qualitative standard (GPA) student must have at each eval period
  • Must specify the quantitative (pace) must attain to graduate within maximum time frame
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

- Enrollment status (p. 13-14)
  - School defines FT workload, but it must meet min standards in FSA regs.
  - Must be used for all students in that program and for all FSA-related purposes

<table>
<thead>
<tr>
<th>Status</th>
<th>Minimum requirements</th>
</tr>
</thead>
</table>
| Full time            | Undergraduate:  
  - 12 semester (12 quarter hours) per academic term in a program using semester, trimester, or quarter system;  
  - 24 semester (36 quarter hours) per academic year for a program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year  
  - 24 clock hours per week for a program using clock hours  
  Grad/professional: Schools must define what comprises FT status for each program based on standards developed by the school |
| Half time            | Taking at least half of the course load of a full-time student                                                                                           |
| Less than half time  | Taking less than half of the course load of a half-time student                                                                                         |
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

- Enrollment status – program requirements

<table>
<thead>
<tr>
<th>Status</th>
<th>Half time</th>
<th>Less than half time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Grant</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Teach Grant</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SEOG</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>FWS</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Perkins Loan</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Stafford Loan</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>PLUS Loan</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
STUDENT ELIGIBILITY
SCHOOL DETERMINED REQUIREMENTS

• Students Convicted of Possession or Sale of Drugs (p. 15-16)
  • Federal or state drug conviction (not local or municipal conviction)
    • Offense occurred during period of enrollment for which the student was receiving federal aid
  • Student self-certifies and not required to confirm unless conflicting information

<table>
<thead>
<tr>
<th>Period of Ineligibility</th>
<th>Half time</th>
<th>Less than half time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; offense</td>
<td>1 year from date of conviction</td>
<td>2 years from date of conviction</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; offense</td>
<td>2 years from date of conviction</td>
<td>Indefinite period</td>
</tr>
<tr>
<td>3+ offenses</td>
<td>Indefinite period</td>
<td></td>
</tr>
</tbody>
</table>

Student regains eligibility the day after the period of ineligibility ends, or when qualified drug rehab program completed.
Incarcerated Students (p. 17)

- Considered to be incarcerated if serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution
  - Not incarcerated if in halfway house, home detention, or is sentenced to only serve weekends
- Not eligible for FSA loans
- Eligible for FSEOG, FWS, and Pell Grants (if not incarcerated in federal or state penal institution)
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

- Citizenship (p. 21)
  - Eligible categories
    - U.S citizen or national;
    - U.S. permanent resident
      - Can only receive aid from some of the FSA programs (p. 43)
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

• Citizenship (p. 21)
  • Eligible categories cont’d
    • Eligible noncitizens who can provide documentation from USCIS that they are in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident
      • Refugees
      • Victims of human trafficking
      • Persons granted asylum
      • Parolee
      • Cuban-Haitian entrants (status pending)
      • Conditional entrant
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

- Citizenship
  - Confirmation for U.S. citizen or national
    - Applications matched with Social Security records to verify name, date of birth, U.S. citizenship status, and SSN
    - Doesn’t match – SAR C
      - Student should correct and submit; or
      - Documentation of citizenship provided to FA
        - Birth certificate
        - U.S passport
        - Certificate of Citizenship
        - Certificate of Naturalization

Before aid disbursement, student must present original documentation that verifies citizenship.
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

• Citizenship
  • Confirmation for eligible noncitizen
    • Alien registration number confirmed with DHS
      • No match → automated secondary confirmation
      • Not confirmed after secondary → school initiates paper confirmation via G-845 submitted to USCIS
        • Documentation must not be expired (exception for victim of human trafficking)
        • Must examine and copy original documents
        • Acceptable documentation described on pgs. 26-30

Before aid disbursement, student must present original documentation that verifies citizenship.
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

• NSLDS Financial Aid History (p. 51)
  • If previously attend another college, may have a FA history that affects their eligibility for FSA funds at your school. Generally not eligible if:
    • In default on an FSA loan or owes an overpayment on an FSA grant or loan and has not made repayment arrangements
    • Has exceeded annual or aggregate loan limits
    • Has been convicted of, or has pled no contest or guilty to, a crime involving fraud in obtaining Title IV aid
    • Has unresolved enrollment history
    • If his/her property is subject to a judgment lien for a debt owed to the U.S (parent can’t receive a PLUS if either the student or parent is subject to such lien)
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

• Social Security Number (p. 61)
  • To be eligible to receive FSA funds, each student must provide a correct SSN
  • Student’s and dependent parents’ SSN collected on FAFSA and CPS validates the numbers through match with SSA.
    • CPS verifies the name and birth date associated with the SSN match the name and birth date on the application
    • CPS won’t process an application without a SSN
    • Any conflicting information or incorrect SSNs must be corrected before disbursement (most cause application to reject)

<table>
<thead>
<tr>
<th>Common Errors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student reports incorrect SSN on FAFSA</td>
</tr>
<tr>
<td>Data entry error</td>
</tr>
<tr>
<td>Error in SSN database</td>
</tr>
<tr>
<td>No match for name or DOB</td>
</tr>
<tr>
<td>SSN record includes date of death</td>
</tr>
<tr>
<td>Info missing from application</td>
</tr>
</tbody>
</table>

Full list of SSN match results found in 2014-2015 SAR Comment Codes and Text
STUDENT ELIGIBILITY
FEDERALLY-DETERMINED REQUIREMENTS

• Selective Service (p. 67-71)
  • Males (assigned the sex of male at birth) aged 18-25 are required to register
  • Covers males residing in the U.S. who are citizens or noncitizens
    • Parents who want to borrow a PLUS loan are not required to register
    • There are exemptions
  • Methods to register
    • Online at www.sss.gov
    • Select “Register Me” option on the FAFSA
    • Complete and mail form available at any U.S. Post Office

CPS performs match with SSS

| Registration not confirmed – student must register or provide proof of registration or exemption |
| Unsuccessful registration – CPS can’t forward registration if certain info missing or older than 26 |
INSTITUTIONAL ELIGIBILITY

• Volume 2: Topics pertaining to colleges’ general obligations in administering Title IV aid programs
  • Institutional and program eligibility (Ch. 1 & 2)
  • Administrative requirements (Ch. 3)
  • Audits (Ch. 4)
  • Consumer information (Ch. 6)
  • Record keeping (Ch. 7)
  • Program reviews (Ch. 8)
INSTITUTIONAL ELIGIBILITY

- Basic criteria for eligible institutions (p. 5)
  - Be legally authorized by a state to provide postsecondary education in that state
  - Be accredited by a nationally recognized accrediting agency or have met the alternative requirements, if applicable, and
  - Admit as regular student 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
  - Offer at least one eligible program
INSTITUTIONAL ELIGIBILITY

- Eligible Programs (p. 15)
  - Distinction between definition of an eligible program and eligible institution
    - Some programs at the school may not meet the requirements for an eligible program
  - Only students enrolled in an eligible programs at eligible institutions can receive aid from FSA programs
INSTITUTIONAL ELIGIBILITY

- Eligible Programs at an institution of higher ed. (p. 16)
  - A program that leads to an associate, bachelor’s, professional or graduate degree
  - A program of at least two academic years in duration that is acceptable for full credit toward a bachelor’s degree
  - A program of at least one academic year in duration that leads to a certificate or other recognized credential and prepares students for gainful employment in a recognized occupation
INSTITUTIONAL ELIGIBILITY

• Eligible Programs at a proprietary or postsecondary vocational institution (p. 16)
  • 3 types and all programs must provide training that prepares a student for gainful employment in a recognized occupation
    1. 600 clock hours, 16 semester/trimester hours, or 24 quarter hours in min of 15 weeks of instruction
    2. 300 clock hours, 8 semester/trimester hours, or 12 quarter hours in min of 10 weeks of instruction
  • Program must be graduate or professional or must admit as regular students only those who have the equivalent of an associates degree
INSTITUTIONAL ELIGIBILITY

• Eligible Programs at a proprietary or postsecondary vocational institution (p. 17)
  • 3 types and all programs must provide training that prepares a student for gainful employment in a recognized occupation

3. Short-term program
  • 300 – 599 clock hours offered in min of 10 weeks
  • Must admit as regular students those who have not completed the equivalent of an associate degree
  • Have verified completion and placement rates of at least 70%
  • Not be more than 50% longer than the min training required by state or federal agency (if any) for the occupation

Have been in existence for at least one year
INSTITUTIONAL ELIGIBILITY

- Program Participation Agreement (p. 12)
  - To participate in FSA programs, a school must have a current PPA signed by the school’s president, chief executive officer, or chancellor and an authorized representative of the Secretary of Education
  - The school agrees to comply with the laws, regulations, and policies governing the FSA programs
  - Recertify every 6 years
INSTITUTIONAL ELIGIBILITY

• FSA Administrative Requirements (p. 33)
  • Consistency of information & conflicting information
    • Must have a system of identifying and resolving discrepancies in all FSA-related information received by any school office
  • Administrative capability
    • School must demonstrate it is capable of providing the education it promises and of properly managing the FSA programs
  • Cohort default rates
    • Perkins 15%
    • 3 most recent official rates ≥ 30%
    • In 1 year official rate > 40%
INSTITUTIONAL ELIGIBILITY

- **FSA Administrative Requirements** (p. 35)
  - School must designate a capable individual to be the coordinating official
  - Must provide adequate counseling
  - Adequate staffing
    - Depends on the number of students aided, the number and types of programs, the number of applicants evaluated and processed, amount of funds administered, etc.
      - What is sufficient at one school may not be at another
  - System of checks and balances
    - Separation of function
      - At minimum, must separate functions of authorizing payment and disbursement or delivering funds
INSTITUTIONAL ELIGIBILITY

- **FSA Administrative Requirements**
  - Contracts with 3rd Party Servicers (p. 40-41)
    - Schools are permitted to contract with consultants for assistance in administering FSA programs
      - School is ultimately responsible for use of funds and will be held accountable if consultant mismanages programs or funds
  - Incentive compensation prohibition
    - Cannot provide commission, bonus, or incentive payment based directly or indirectly on success in securing enrollment or financial aid to anyone involved with recruiting or admission activities or in awarding FSA funds
INSTITUTIONAL ELIGIBILITY

• Audit Requirements (p. 55)
  • A school that participates in any FSA programs must have an annual compliance audit and an audit of the school’s financial statements
    • Compliance audits
      • All for-profit schools must have audit conducted under the Inspector General’s Audit Guide (available on IFAP)
      • Public and private nonprofit must comply with the Single Audit Act
    • Must be conducted by an independent auditor
INSTITUTIONAL ELIGIBILITY

- **90/10 Revenue Test** (p. 61)
  - Proprietary schools must disclose the percentage of its revenues derived from the FSA programs the school received
    - To be eligible for FSA participation, must derive at least 10% of its revenues each fiscal year from sources other than FSA programs
    - Must be derived using the cash basis of accounting
INSTITUTIONAL ELIGIBILITY

• Demonstrate Financial Responsibility (p. 67)
  • Public schools
    • Debts and liabilities are backed by the full faith and credit of the state or another government entity
  • Proprietary or private nonprofit
    • Composite score of at least 1.5
    • Must have sufficient cash reserves to make the required refunds, including the return of Title IV funds (refund reserve standards)
    • School is meeting all financial obligations
    • School is current in debt payments
INSTITUTIONAL ELIGIBILITY

• Consumer Information (p. 101)
  • Notice to enrolled students each year
    1. General disclosures for enrolled or prospective students
       • Financial assistance available to students
       • Info about academic programs, costs, facilities, & policies
    2. Annual security report and annual fire safety report
    3. Report on athletic program participation rates and financial support data
    4. FERPA information
  • 1-3 may be satisfied by posting the information online
INSTITUTIONAL ELIGIBILITY

• Consumer Information
  • Completion, graduation, transfer, retention and placement rates (student right-to-know) (p. 106)
  • Gainful employment programs (p. 107)
  • Campus crime & safety information (p. 108)
  • Textbook pricing information (p. 118)
  • Disclosures about private education loans (p. 123)
    • Preferred lender lists
INSTITUTIONAL ELIGIBILITY

• Other requirements
  • Drug and alcohol prevention (p. 114-116)
    • Provide info and have a prevention program
    • Take certain steps to provide a drug-free workplace (campus-based programs)
  • Anti-lobbying provisions (p. 129)
  • Voter registration (p. 130)
INSTITUTIONAL ELIGIBILITY

• Recordkeeping (p. 131)
  • VERY IMPORTANT to maintain complete and consistent records
  • Records related to school eligibility (PPA, ECAR, application portion of FISAP, self-eval, etc.)
  • Records related to student eligibility (SAP, COA, program of study, coursework taken, etc.)
  • Fiscal records to demonstrate proper use of FSA funds (program transactions, bank statements, general ledger, etc.)

• Must retain all required records for min of 3 Years from the end of the award year
• Starting point for 3 year period not the same for all records
INSTITUTIONAL ELIGIBILITY

Keep in mind with institutional eligibility, it’s the institution’s responsibility to ensure compliance.

Not just FA office issue!
QUESTIONS