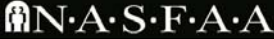


Using NASFAA Tools to Ensure Title IV Compliance

National Association of Student
Financial Aid Administrators

**The following is prepared for
presentation at the New Mexico
Association of Student Financial Aid
Administrator's Conference in
Albuquerque, NM
March 29 – 31, 2011**

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National Association of Student
Financial Aid Administrators

**Using NASFAA Tools to Ensure
Title IV Compliance**

Stacey A. Peterson
Training Specialist
Division of Training & Regulatory Assistance


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Types of Evaluations

- Audits
- Self Evaluation
- Peer Evaluation
- Program Reviews

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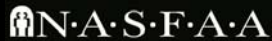
Evaluation Goal

Institution must be administratively capable and financially responsible

- On-going informal activity
- Formal, thorough review of all aspects of operations
- Routine reports

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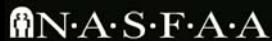


NASFAA's *Self-Evaluation Guide*



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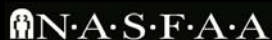


What is the NASFAA *Self-Evaluation Guide*?

- In-house evaluation tool for Title IV and HHS programs
- Describes majority of requirements
- Includes good practices

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Using NASFAA Tools to Ensure Title IV Compliance

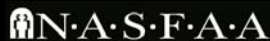
What is the NASFAA Self-Evaluation Guide?

- Contains regulatory citations & other references
- Questions designed to easily identify areas of noncompliance
- Interactive form fields



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Purpose and Applicability

- Designed as an in-house assessment tool to evaluate efficiency and effectiveness
- Contains typical program review and compliance audit questions

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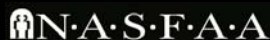


Use Self-Evaluation Guide to:

- Prepare for audit and program reviews
- Affirm and/or revise financial aid operations, policies, and procedures
- Provide outline for policies and procedures manual

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Use *Self-Evaluation Guide* to:

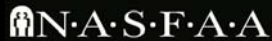


- Train staff

- Convey magnitude and complexity of financial aid administration to others
- Document need for resources, staffing, and physical accommodations

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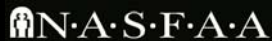


Use *Self-Evaluation Guide* to:

- Prepare reports
- Determine progress towards achieving goals for improvement
- Preliminary evaluation to target areas for a formal review

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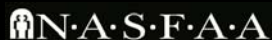
Self-Evaluation Guide Topics Covered

The *Guide* is divided into 4 major parts:

- I. Institutional Responsibilities
- II. Administration of Title IV Federal Aid Programs
- III. Administration of Title VII and Title VIII Health Professions Programs
- IV. Appendices


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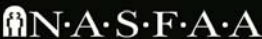
Using NASFAA Tools to Ensure Title IV Compliance

How to Complete the *Guide*

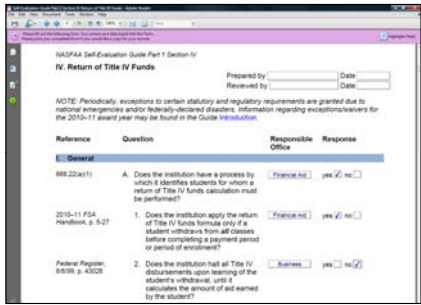


- Guide is in interactive Q & A format
- “Yes” means requirement met
- “No” means follow-up needed
- “N/A” means not applicable to the institution

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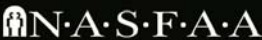


How to Complete the *Guide*




Reference	Question	Responsible Office	Response
688.22(a)(1)	A. Does the institution have a process by which it identifies students for whom a return of Title IV funds calculation must be performed?	Finance, Ad.	yes <input type="checkbox"/> no <input type="checkbox"/>
2010-11 FISA handbook, p. 5.27	1. Does the institution apply the return of Title IV funds formula only if a student withdraws from all classes before completing a payment period or period of enrollment?	Finance, Ad.	yes <input type="checkbox"/> no <input type="checkbox"/>
Federal Register: 8/5/09, p. 43028	2. Does the institution halt all Title IV disbursements upon learning of the student's withdrawal, until it calculates the amount of aid earned by the student?	Business	yes <input checked="" type="checkbox"/> no <input type="checkbox"/>

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New Features



- Most recent additions:
 - Satisfactory Academic Progress
 - Institutional Requirements Related to Education Loans
- Includes changes mandated by:
 - HEOA
 - ECASLA
 - October 2009 Final Rule Packages

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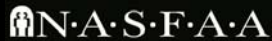
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Who Should Complete the *Guide*?

All offices that have activities that directly or indirectly impact financial aid programs should be involved

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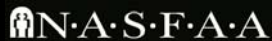


How Do I Get the *Self-Evaluation Guide*?

- Free membership benefit
- Twenty-sixth edition
- Twenty-fifth edition
- Available on NASFAA website under *Professional Practice Tools*

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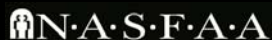


NASFAA's *Standards of Excellence Review Program*



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Using NASFAA Tools to Ensure Title IV Compliance

What is the SOE Program?

- Voluntary appraisal of financial aid operations
- Assesses strengths and weaknesses
- Makes recommendations to improve Title IV operations and customer service
- Comprised of a team of your peers

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What is a Peer Review?

- Financial aid administrators who have “been there and done that”
- Not affiliated with your institution
 - More likely to recognize issues
 - Objective
 - Fresh perspective

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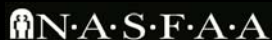
What Areas Are Covered in a Review?

- Program compliance, operations, and delivery
- Systems, automation, and technology utilization
- Student service and satisfaction
- Human resources and facilities



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SOE Contact Information

For a quote or more information contact:

Ken McGhee

Program Coordinator

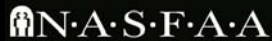
202-785-0543

excellence@nasfaa.org

mcgheek@nasfaa.org

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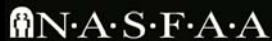


NASFAA Policies & Procedures Tools



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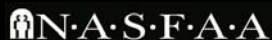


NASFAA Policies & Procedures Tools

- Toolbox with all the user-friendly tools you need to create and maintain an electronic policies and procedures manual
- Benefit of NASFAA membership

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Using NASFAA Tools to Ensure Title IV Compliance

What's in the Toolbox?

- Tools for formatting, implementing, and evaluating policies and procedures
- *Regulatory Resources Guide* containing:
 - Explicit and implied regulatory requirements
 - Areas where schools have implementation options

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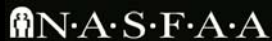


What's in the Toolbox?

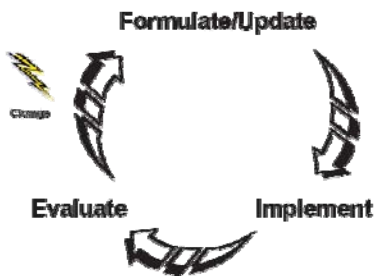
- Tips for formatting your P&P manual
 - Page format samples
 - Style decisions
 - Master tracking document
- Guidance for reading and interpreting statutes and regulations

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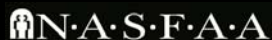


P&P Development Cycle Example



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Using NASFAA Tools to Ensure Title IV Compliance

P&P Development Cycle Example

Formulate/Update
 Develop, revise, and/or update the policy manual and/or administrative system.
 Requirements:
 • Review all current policies and procedures.
 • Review all current regulations and all applicable federal, state, and local laws, regulations, etc., that affect the institution's program of study.
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.

Implement
 Apply the new, revised, or updated policies and procedures to the institution's program of study.
 Requirements:
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.

Evaluate
 Assess the effectiveness of the institution's policies and procedures.
 Requirements:
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.

Change
 Change the institution's policies and procedures to reflect the results of the evaluation.
 Requirements:
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.
 • Review all Title IV compliance requirements.

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N·A·S·F·A·A

P&P Development Cycle Example

Formulate/Update

Implement

Evaluate

Change

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N·A·S·F·A·A

What's in the Toolbox?

Electronic P&P manual templates:

- Full version with comprehensive detail, including citations and references
- "Shell" version—a pared-down outline of full version

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N·A·S·F·A·A

Using NASFAA Tools to Ensure Title IV Compliance

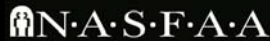
Template Features

- Electronic shared-file, network and Internet capability
- Descriptions of sections required or implied by law or regulation



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Manual Template Sections

- | | |
|--|------------------------------|
| 1: Manual Introduction | 9: Awarding & Packaging |
| 2: Administrative Organization & Office Management | 10: Professional Judgment |
| 3: Financial Aid Programs | 11: Disbursements |
| 4: Institutional Requirements Related to Student Loans | 12: Satisfactory Progress |
| 5: Student Consumer Information | 13: Return of Title IV Funds |
| 6: Applications & Forms | 14: Institutional Refunds |
| 7: File Review | 15: Fraud |
| 8: Student Budgets | 16: Audits |
| | 17: Reserved |
| | 18: Appendices |

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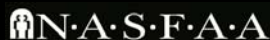
Template Features

Click-and-type functionality to easily add your school's information

Procedures	
Describe the process of identifying those applicants or applications selected for verification. Include a statement regarding the process of identifying and verifying subsequent or additional applications. Explain how the institution will monitor the number of selected applicants to make sure verification policies are enforced and/or percentages are met.	668.54(a)
Click here to insert your school's procedures	
Last updated: Click here to insert date	

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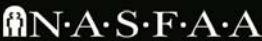


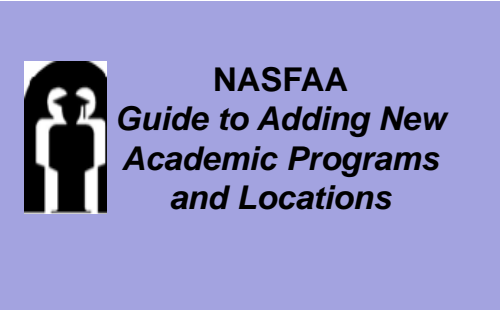
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Where Can I Find the *Tools*?

Under Professional Practice Tools
on the NASFAA website

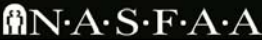
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NASFAA
*Guide to Adding New
Academic Programs
and Locations*


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Adding New Programs and Locations

- Highlights major areas schools should review when:
 - Establishing new academic programs
 - Adding locations
- Notes institutional eligibility and program eligibility considerations

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Adding New Programs and Locations

- Lists regulatory and statutory citations for each area reviewed
- Provides related NASFAA & Department of Education (ED) resources for further guidance

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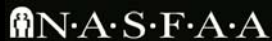


Where Can I Find the Checklist?

Under Professional Practice Tools
on the NASFAA Website

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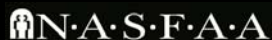


NASFAA's

***Using Federal Tax Returns
in Need Analysis***

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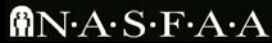
Using NASFAA Tools to Ensure Title IV Compliance

Using Federal Tax Returns in Need Analysis

- Reference tool on how to use federal income tax returns, forms & schedules for:
 - Verification
 - Need analysis
- Updated annually by NASFAA

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Using Federal Tax Returns in Need Analysis

- Cross-references FAFSA line items to tax returns, W-2 forms and schedules
- Describes commonly used tax forms
- Highlights use of W-2 forms for verifying certain taxable and untaxed income
- Contains *Guide to Implied Income and Assets*

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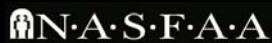
Forms and Schedules Comparison Sample

2010 Federal Tax Forms and Schedules Comparison

Need Analysis Data Elements*	1040*	1040A*	1040EZ*	FAFSA*
Exemptions Claimed [†]	Line 5d [†]	Line 5d [†]	Line 5 [†]	37(S) [†] 85(P) [†]
Adjusted Gross Income (AGI) [†]	Line 37 [†]	Line 21 [†]	Line 4 [†]	35(S) [†] 83(P) [†]
Earnings from Work [†]	Lines 7 + 12 + 18 + Schedule K-1, Box 14, Code A [†]	Line 7 [†] Form W-2, Box 1 [†]	Line 1 [†] Form W-2, Box 1 [†]	38-39(S) [†] 86-87(P) [†]
U.S. Income Tax Paid [†]	Line 55 [†]	Line 35 [†]	Line 11 [†]	36(S) [†] 84(P) [†]
Tax-Exempt Interest Income [†]	Line 8b [†]	Line 8b [†]	N/A [†]	44(S) [†] 92a(P) [†]
IRA Distributions [†] (untaxed portions) [†]	Lines 15a minus 15b (excludes rollovers) [†]	Lines 11a minus 11b (excludes rollovers) [†]	N/A [†]	44a(S) [†] 92a(P) [†]
Pension and Annuity Distributions [†] (untaxed portions) [†]	Lines 16a minus 16b (excludes rollovers) [†]	Lines 12a minus 12b (excludes rollovers) [†]	N/A [†]	44(S) [†] 92b(P) [†]
Tax-Deferred Payments to Pensions and Savings Plans, IRA, SEP, SIMPLE, Keogh, and Other Qualified Plans [†]	Lines 28 + 32 [†] Form W-2, Boxes 12a-d, Codes D, E, F, G, H, S [†]	Line 17 [†] Form W-2, Boxes 12a-d, Codes D, E, F, G, H, S [†]	N/A [†]	44a, 44b(S) [†] 92a, 92b(P) [†]

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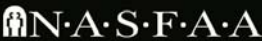


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Where Can I Find It?

Under Professional Practice Tools
on the NASFAA Website


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NASFAA *Monographs*

monograph.
practical information for student aid professionals.


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NASFAA *Monographs*

- Provide practical information for student financial aid professionals
- Developed primarily by practicing financial aid administrators and other NASFAA colleagues

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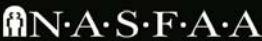


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NASFAA Monographs—Topics

1. Developing Lender Lists
2. Professional Judgment
3. Cost of Attendance
4. Common Data Set


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NASFAA Monographs—Topics

5. Federal Budget Process
6. Satisfactory Academic Progress
7. Research Tools, Tips & Resources


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NASFAA Monographs

Under Publications
on the NASFAA website

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