



Policies and Procedures Manual: Your Lifeboat in Turbulent Waters

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What We'll Talk About

- Definitions
- Requirements
- Purpose of Policies and Procedures
- Good Practices and Tips
- Challenges
- FSA Resources (free)
- Suggested Topics
- Samples



Who is Involved?

- Captain- Dean, VP, Chancellor
 - Approves policies
- First Mate – Director of Financial Aid
 - Responsible for development and maintenance of P&P
 - Ensure crew follows P&P



Who is Involved?

- Crew - Financial Aid Staff
 - May be assigned specific responsibilities (like working on procedures!)
- Others
 - Federal Student Aid
 - NCSEAA
 - Auditors



Important Reminder

- This presentation provides **guidance only**.
- The list of topics is NOT exhaustive – just a guide
- Always review statutes, regulations, and other guidelines (like Dear Colleague letters, guidance issued by state agencies, etc.)

Resources You Need

- A commitment to “get it done”
- Willingness to use available resources
- Financial aid rules, regulations, statutes, guidance (Dear Colleague, etc.)
- Coffee, tea, chocolate – whatever gets and keeps you going
- Writing tools



Policy Definition

- Noun
- A definite course of action adopted for the sake of expediency, facility, etc.
- Action or procedure conforming to or considered with reference to prudence or expediency
- Synonyms: strategy, principle, rule

Source: Dictionary.reference.com



Procedure Definition

- Noun
- An act or a manner of proceeding in any action or process; conduct
- A particular course or mode of action
- Synonyms: Management, operation, maneuver, transaction

Source: Dictionary.reference.com



Federal Perspective

- Campus needs to have written policies and procedures for the administration of Title IV student assistance programs
- Does not have to be a “manual”
- Tools to assist schools in being good stewards in administration of programs and delivery of dollars and services

The Purpose of Policies

- Help an organization reach its long-term goals
- Influence and determine all major decisions and actions
- All activities take place within the policy boundaries
- Explain the business of financial aid to others on campus
- Centralize information



The Purpose of Procedures

- Specific methods
- Policies in action
- Day-to-day operations of the organization
- Prevent an employee from holding your operation hostage
- Assist with staff training



Good Practices

- Reference applicable federal and state statutes and regulations
- Align with organization's vision, strategic plan, and core processes, and goals
- Review at least annually
 - Peer review process that includes cross-section of individuals
 - Clearly defined approval process



Good Practices

- Assign the responsibility to maintain
- Use a standardized process and format
- Easy accessibility for staff
- Do periodic “reality checks”
- Version the document
 - Clearly identify current and previous versions
 - Clearly list effective dates



The “Must Do” Items

- Say what you do and then do what you say!
- Verify that everyone is following the policies and procedures!

Tips for Writing Procedures

- Action oriented
- Properly describe the activity to be performed.
- Consistency
 - Use references and terms the same way every time
 - Following the procedure must ensure consistent results
- Complete
 - No missing information or gaps in steps or logic



Tips for Writing Procedures

- Internal Controls
 - The document and its described actions demonstrate feedback and control.
 - Preventive
 - Detective
 - Should not be overly cumbersome
- Clarity
 - Easy to read and understand



Challenges

NO TIME!!!!

TOO MUCH
CHANGE!!!!

Develop a schedule to write, test, review, and update Assign responsibility for keeping up with statutory and regulatory changes

Risk

- Not complying with regulations
- Audit findings
- Financial liability



Resource List

Resources available to assist in the development of a manual:

- Verification Assessment <http://ifap.ed.gov/qahome/qaassessments/fsaverification.html>
- Professional Judgment Activity #2 <http://ifap.ed.gov/qadocs/FSAvenModule/activity2venif.doc>
- Consumer Information At A Glance <http://ifap.ed.gov/qadocs/ConsumerModule/ConsumerInfoataGlance.doc>
- Return of Title IV Funds Assessment <http://ifap.ed.gov/qahome/qaassessments/returntivfunds.html>
- 2013-14 FSA Handbook (Application and Verification Guide, Volumes 1 ,2 and 5) for guidance related to the topics in this section
- [DCL GEN-11-05](#); [DCL GEN-11-14](#)
- [Program Integrity Link](#)

Example of a Completed Section

Part 3.5a	Verification (Schools Not Participating in the Quality Assurance Program)	This section is required. 668.53
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For Schools Not Participating in the Quality Assurance (QA) Program

This section includes:
Procedures outlining the requirements for Verification as required by Title IV Regulations.

Written Verification Policies and Procedures:

Your school must have written policies and procedures on the following verification issues:

- Deadlines for students to submit documentation and consequences of the failure to meet those

New requirements alert



Important! A critical piece of information that, if overlooked, could result in an error

Establishing documentation for loan processing

Appendices

- Acronyms
- Terms
- Forms
- Charts
- Example of a Completed Section (Appendix B)
- Policies and Procedures at a Glance (Appendix C)



APPENDIX A: ACRONYMS AND COMMON TERMS

Term	Acronym	Explanation
Office of the Inspector General	OIG	ED office that provides information and technical guidance on the current status of Departmental policy.
Office of Postsecondary Education Identification Number	OPE ID	An eight-digit number assigned to an institution upon approval for participation in Title IV programs.
Office of Postsecondary Education	OPE	The principal operating component (POC) within ED that directs, coordinates and recommends policies for programs designed to provide financial assistance to eligible students.
Direct PLUS	PLUS	Unsubsidized loans available to parents of dependent students, and to students enrolled in graduate or professional programs. These loans are available regardless of financial need and the amount of eligibility depends on the total cost of education.
Direct Unsubsidized	DU	Unsubsidized loans available to dependent students, and to independent students who are enrolled in graduate or professional programs. These loans are available regardless of financial need and the amount of eligibility depends on the total cost of education.

APPENDIX B: Example of a completed section of the Administrative Capability policy and procedure

Part 1.4	Conflicting Data	This section is required MS14.1
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This section addresses procedures for Conflicting Data and reporting fraud and abuse.

Part 1: Resolving Conflicting Data:

Our procedures ensure that we resolve conflicting data for our applicants as follows:

- **Applicants selected for verification** – If we have reason to believe that any information on the application used to calculate the EFC is discrepant or inaccurate (or if any supporting documentation is discrepant or inaccurate), we require the applicant to provide adequate documentation to resolve the conflict.
- **Applicants not selected for verification** – We resolve conflicting information regardless of whether or not the applicant was selected for verification. As required, the financial aid office will review all tax returns provided to the school even if they were not requested. All D Codes on the ISIR will be reviewed and resolved by the financial aid office.

APPENDIX C: POLICIES AND PROCEDURES AT A GLANCE

Acronym	Meaning
A.A.	Associate of Arts Degree
AAI	Adjusted Available Income
ACA	Administrative Cost Allowance
ACG	Academic Competitiveness Grant Program
ACH	Automated Clearinghouse
AEI	Additional Eligibility Indicator
AFDC	Aid to Families with Dependent Children (see TANF)
AGI	Adjusted Gross Income
AI	Available Income
ANN	Announcement Dear Colleague Letter
APA	Asset Protection Allowance
APC	Adjusted Parents' Contribution
ARRA	American Recovery & Reinvestment Act of 2009
ATB	Ability to Benefit

- ### Administrative Capability
- Qualified person(s) to administer Title IV
 - Checks and balances/separation of duties
 - Satisfactory academic progress
 - Conflicting data
 - Fiscal reports and financial statements
 - Financial aid counseling
 - Purpose and philosophy of the Financial Aid Office
 - General office administration
 - Calendar of activities

- ### Institutional Eligibility
- General requirements
 - Updating application information
 - Admission policy
 - State authorization
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General Provisions

- Certification
- Title IV refunds
- Compliance audits and audited financial statements
- Consumer information
- Verification
- Professional judgment and dependency overrides

General Provisions

- Misrepresentation
- Documentation
- Secondary confirmation
- Ability to benefit



Federal Perkins Loan

- Even though the program is winding down, you need to include it in your P&P
 - Selection and awarding of students
 - Master Promissory Note and Loan Disclosure
 - Fiscal procedures and records
 - Forbearance and Deferment, Collections
 - Contact with borrowers and Billing
 - Litigation and Cancellation



Federal Work Study and Job Location and Development

- Selection and awarding of students
- Assigning FWS jobs
- JLD procedures and records
- Work Colleges
 - Program procedures and records



FSEOG

- Selection and awarding of students
- FSEOG fiscal procedures and records



Federal Direct Loan

- Packaging policies
 - 150% subsidy limitation
- Counseling borrowers
- Payment of a refund
- Payment of a Return to Title IV
- Administrative and fiscal control



Federal Pell Grant

- Calculating awards
 - Lifetime limit
- Required and optional recalculations
- Fiscal records and disbursement requirements
- Disbursement for books and supplies



TEACH Grant

- Eligibility determination
- Counseling
- Fiscal control and fund accounting



Other Federal Programs

- Example: Nursing Student Loan
 - Selection and awarding of students
 - Fiscal procedures, accounting, and fiscal records
 - Disbursement requirements
 - Payment of a refund
 - Promissory Note, Disclosures, Collections, etc.

North Carolina Student Financial Assistance Programs

- Selection and awarding of students
- Fiscal procedures, accounting, and fiscal records
 - Withdrawal calculation – worksheet
 - Adjustments and refunds
- Disbursement requirements
- Payment of a refund



Programs from Other States

- Selection and awarding of students
- Fiscal procedures, accounting, and fiscal records
- Disbursement requirements
- Payment of a refund



Institutional Student Financial Assistance Programs

- Selection and awarding of students
- Fiscal procedures, accounting, and fiscal records
- Disbursement requirements
- Payment of a refund



Sample Purpose Statement

- This manual is intended for the use of Student Financial Aid office staff, campus administration, auditors, and others reviewing the financial aid operation at this campus.



Sample Philosophy Statements

- This campus will be the “preferred choice” for quality education and training. This campus is dedicated to fulfilling the educational, training, and cultural needs of the community.
- The Financial Aid Office supports the campus in fulfilling its vision and mission by providing assistance to students who would otherwise be unable to pursue a postsecondary education because of finances.

Sample Procedure

Fraud and Abuse:

Should fraud or abuse be detected or suspected, report it to the Director of Financial Aid. The Director will consult with the school’s legal counsel prior to referring it for investigation to the Office of the Inspector General of the Department of Education or any agency outside the school.

Instructions on Contacting the OIG

Provide information to

Is Your P & P Manual Up To Date?

- Net Price Calculator
- Shopping Sheet
- Verification changes
- Satisfactory Academic Progress
- State Aid Programs
- Preventing and Reporting Fraud

NOT an exhaustive list – just a guide!

Resources for You

- IFAP.ED.GOV
- IFAP.ED.GOV/QAHOME
- NASFAA.ORG



Resources used for this presentation

- IFAP.ED.GOV/QAHOME
- Dictionary.com
- Businessdictionary.com
- Technibble.com
- Btiworld.com
- Chiff.com


