

Appendix

E



Web site

- <http://SFA4Schools.sfa.ed.gov>



GETTING HELP

U.S. Department of Education (ED) Resources

When a foreign school decides that it wants to participate in the Federal Family Education Loan (FFEL) Program it should contact the U.S. Department of Education. ED has defined rules and regulations instructing schools on how they must administer this program.

ED provides various guidelines and resources to aid schools in facilitating and maintaining participation in the FFEL Program. This chapter contains sources for getting help. In addition, a school should refer to the other appendices of this handbook for additional resources.

SFA4Schools Web Site

The SFA4Schools Web site gives schools access to all Title IV student financial aid program information, resources, and activities. These sources include various publications and Web sites. The Web address is <http://SFA4Schools.sfa.ed.gov>. It consists of five main areas:

- ◆ **SFA Headlines** – latest news or policy and rule changes from the office of Student Financial Assistance (SFA).
- ◆ **SFA Links** – is broken down into five areas: the Reference Library, Student Data, Book Store, Participation and Funding, and Training/Conferences.
 - **Reference Library** – for access to all SFA publications, links to the Information for Financial Aid Professionals (IFAP) SFA Publications section and IFAP's newest feature, Publications by Topic, have been added in the Reference Library Section.
 - **Student Data** – this section links you to important student-based Web sites such as the National Student Loan Data System.
 - **Book Store** – this section allows you to order SFA publications by linking you to the Bulk Publication Ordering System; view question and answers or ask technical questions through SFA Technical Support (SFA Tech).
 - **Participation and Funding** – the Application to Participate and for Recertification can be accessed through this section.
 - **Training/Conferences** – this section provides you with information on upcoming training or conferences offered by SFA, by linking you to the SFA University Web site and the SFA conferences registration page.

- ◆ **SFA Search** – search engine that allows you to find information about student financial aid by topic or date.
- ◆ **My SFA** – allows you to customize the page using a user name and password to create a link to your school’s programs.
- ◆ **SFA calendar** – a calendar of upcoming events and dates such as conferences, training, processing deadlines, or Notice of Proposed Rulemaking due dates.

Federal Student Aid Information Center

For general information and assistance, contact the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243 (1-800-4-FED-AID) or 319-337-5665 between 8 a.m. and midnight (Eastern Standard Time), seven days a week (except for holidays).

The FSAIC:

- ◆ provides information on student financial aid programs;
- ◆ assists in completing the Free Application for Federal Student Aid;
and
- ◆ disseminates many of ED’s publications.

Foreign School’s Case Management Team

Schools can contact their ED Case Management and Oversight Service case management team for information about the following:

- ◆ audit resolution
 - ▶ status of ED’s final determination letter
 - ▶ final determination appeal process
 - ▶ a corrective action plan
- ◆ financial statement analysis
- ◆ program review
- ◆ recertification
- ◆ separation of functions issues.

The foreign school’s case management team can be reached at 202-377-3168.



Reference

- 34 CFR 668.25

Contracts with Third-Party Servicers

Schools may enter into contracts with third-party servicers for the administration of any or all aspects of its FFEL Program. If a school chooses to use a third-party servicer to administer its FFEL Program, there are specific requirements that third-party servicers must adhere to. A school remains liable for any and all SFA related actions taken by the servicer on the school's behalf. Whenever the school enters into, or makes significant modifications to, a contract with a third-party servicer, the school must notify ED. ED may review any contract between a school and a third-party servicer. When a third-party servicer enters into a contract with a school, the servicer is agreeing to comply with all laws and regulations applicable to the FFEL Program.

A school may not contract with a third-party servicer that has one or more of the following characteristics:

- ◆ The servicer has been limited, suspended, or terminated by ED within the preceding five years.
- ◆ The servicer has been cited during the preceding five years for failure to submit required audit reports in a timely manner.
- ◆ The servicer has been requested to pay liabilities that exceed 5 percent of the amount of Title IV funds that are administered by the third-party servicer, as a result of the two most recent Title IV audits.

The contract between the school and the third-party servicer must clearly define that the third-party servicer will:

- ◆ (if it delivers or disburses FFEL loans) confirm student eligibility before the delivery or disbursement and calculate and return all unearned Title IV funds to the Title IV programs and the students' lenders in accordance with program requirements;
- ◆ comply with all requirements governing the administration of the Title IV programs and all applicable special agreements, limitations, suspensions, and terminations under the Title IV regulations;
- ◆ refer to ED any information indicating reasonable cause to believe that the school may be engaged in fraud or other criminal misconduct in administering Title IV programs or that any applicant for Title IV assistance may have engaged in fraud or criminal misconduct in connection with his or her application;

- ◆ be jointly and severally liable with the school for the servicer's violations of program requirements, and agreements with the U.S. Secretary of Education; *and*
- ◆ return to the school all unused Title IV funds and records used in administering the program if the servicer or school terminates the contract, goes out of business, or files for bankruptcy.

Functions that are covered under the definition of a third-party servicer include:

- ◆ processing student financial aid applications, performing need analysis, and determining student eligibility;
- ◆ certifying loan applications;
- ◆ processing output documents for payment to students, and receiving, disbursing, or delivering funds to students;
- ◆ conducting required student consumer information services;
- ◆ preparing and submitting notices and applications required of eligible and participating schools; *and*
- ◆ processing enrollment verification for deferment forms or Student Status Confirmation Reports.

Functions that are **not** covered under the definition of a third-party servicer are:

- ◆ performing electronic fund transfers;
- ◆ financial and compliance auditing;
- ◆ mailing documents prepared by the institution or warehousing institutional records; *and*
- ◆ providing computer services or software.

Accrediting Agencies

Countries with Comparable Accreditation Standards for Medical Schools

As provided by statute, the National Committee on Foreign Medical Education and Accreditation (NCFMEA) has reviewed and found that the countries listed below use standards to accredit their medical schools that are comparable to the standards used to accredit medical schools in the United States. The NCFMEA meets twice a year, and after each meeting the list of

countries determined to have comparable standards is updated to reflect the decisions of the Committee.

To access this Web site go to:

<http://www.ed.gov/offices/OPE/accreditation/ncfmission.html>.

- ◆ **Australia** – Australian Medical Council. The Council also accredits medical schools in **New Zealand** under terms of an agreement with that country.
- ◆ **Belize** – Accreditation Commission on Colleges of Medicine. Belize was reviewed at the September 2000 NCFMEA meeting. The Committee determined that the standards to be used by Belize to evaluate St. Matthew's University School of Medicine are comparable to the standards used to accredit medical schools in the United States. However, the NCFMEA has limited the period of comparability to one year. At its September 2001 meeting, the NCFMEA extended the period of comparability for an additional year.
- ◆ **Canada** – Committee on Accreditation of Canadian Medical Schools (LCME)
- ◆ **Costa Rica** – Consejo Nacional de Enseñanza Superior Universitaria Privada (CONESUP)
- ◆ **Czech Republic** – Accreditation Commission
- ◆ **Denmark** – Ministry of Education/Center for Quality Assurance in Higher Education
- ◆ **Dominica** – Medical Board/Ministry of Health & Social Security
- ◆ **Dominican Republic** – National Council of Higher Education (CONES)
- ◆ **Grenada** – Grenada Ministry of Health and the Environment/NY Board of Regents
- ◆ **Hungary** – Hungarian Accreditation Committee
- ◆ **India** – Medical Council of India
- ◆ **Ireland** – Irish Medical Council
- ◆ **Israel** – Council for Higher Education
- ◆ **Mexico** – Asociación Mexicana de Facultades y Escuelas de Medicina (AMFEM)

- ◆ **Montserrat** – Accreditation Commission on Colleges of Medicine
Because of volcanic activity on Montserrat, the one medical school accredited by the Accreditation Commission is now located on St. Maarten.
- ◆ **Pakistan** – Pakistan Medical and Dental Council
- ◆ **Philippines** – Medical Education Accreditation Council
- ◆ **Poland** – Ministry of Health and Social Welfare
- ◆ **St. Maarten** – Accreditation Commission on Colleges of Medicine
- ◆ **Sweden** – National Agency for Higher Education
- ◆ **Thailand** – Ministry of University Affairs and the Thai Medical Council
- ◆ **The Netherlands** – Ministry of Education, Culture, and Science
- ◆ **United Kingdom** – General Medical Council

What Constitutes an Audited Financial Statement in Various Countries

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Australia	The Australian Accounting Standards issued by the Australian Accounting Standards Board are incorporated in the Corporations Law. The Corporations Law dictates the format of the financial statements.	The auditor's report addresses whether the financial statements provide a "true and fair view."	Balance Sheet Income Statement (R) Statement of Cash Flows (R) Notes on the Accounts (R)
Austria	German Commercial Law developed further with the enactment of the <i>Deutsches Handelsgesetzbuch</i> (German Commercial Code) which prescribes the form of the report.	The auditor's report addresses whether the financial statements provide a "true and fair view" in accordance with generally accepted accounting principles.	Balance Sheet (R) Profit and Loss Statement (R) Notes to the Accounts (R)
Belgium	The present legal requirements regarding financial disclosure in Belgium originated in the Royal Decrees together with the Law of 5 December 1984, served to implement the Fourth and Seventh EC Directives within Belgium.	The auditor's report addresses whether the financial statements provide a "true and fair view" and shall be prepared clearly.	Balance Sheet (R) Income Statement (R) Notes to the financials (R)
Canada	Standards are set by the Accounting Standards Board of the Canadian Institute of Chartered Accountants. Canadian GAAP is probably the closest to U.S. GAAP.	Usually states whether or not the financials are "presented fairly" in conformity with generally accepted accounting principles.	Balance Sheet (R) Income Statement (R) Statement of retained earnings (R) Statement of changes in financial position (R) Notes to the financials (R)

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Chile	Principles are promulgated by the Superintendencia de Valores y Seguros. Auditors must register with the Colegio de Contadres, but some are registered with the Instituto Nacional de Contadores Profesionales Auditores (INCPA). INCPA is not required for Title IV purposes.	The financials should conform to the standards of Chilean generally accepted accounting principles. Some standards may conform to the standards of the International Accounting Standards Committee (IASC).	Balance Sheet (R) Income Statement (R) Notes to the financials (R)
China	The 1992 Standard and 1992 Regulations prescribe the form of the report.	The adoption of a set of accounting standards based on and consistent with the International Accounting Standards is not complete in China.	Balance Sheet (R) Profit and Loss Account (R) A statement of changes in financial position or Cash Flow Statement (R) Cash Flow Statement (R)
Denmark	Denmark has adopted a liberal disclosure policy. Companies may choose freely between four formats of the profit and loss account provided by the Fourth Directive.	Financial statements give a “true and fair view” and audited in accordance with the auditing standards issued by the Association of State Authorized Public Accountants.	Balance Sheet (R) Income Statement (R) Notes to the financials (R) Statement of Cash Flows (Optional)
Egypt	The Central Accounting Agency (CAA) must establish and periodically study and evaluate Egypt’s accounting standards. Company Law 159 of 1981 requires an annual audit of financial statements and sets standards related to these audits.	The financial statements are usually prepared in accordance with international accounting standards.	Balance Sheet (R) Profit and Loss Account (R) Cash Flow Statement (R)

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Finland	The Finnish Accounting Act makes the formats of Finnish financial statements better correspond to the European Community requirements.	The EC Accounting Directives were used as guidelines for the Accounting Act, therefore the “true and fair view” convention is thought of as a guiding principle. It is thought that accounting theory and practice will continue to shape it.	Balance Sheet (R) Income Statements (R) Neither in the Accounting Act nor the Draft is there a requirement of changes in financial position or of cash flows
France	The Plan Comptable prescribes the form and contents of the financial statements. It has been amended to incorporate financial reporting changes brought about by the introduction of the European Fourth and Seventh Directives.	The auditor’s report addresses whether the financial statements provide a “true and fair view” in accordance with professional standards.	Balance Sheet (R) Income Statement (R) Statement of Cash Flows (NR) Notes to the financials (R)
Hong Kong	Financial accounting and reporting in Hong Kong are governed by the Hong Kong Society of Accountants.	The financial statements are usually prepared to give the reader a “true and fair view” of the financial position and profit and loss for the period in accordance with generally accepted principles.	Balance Sheet (R) Income Statement (R) Notes to the financials (R)

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Hungary	The Association of Hungarian Auditors was founded in 1988 and has started a standard-setting process to control the professional organizations for accountants. The law on accounting that became effective in 1992 has been influenced by developments in Europe and internationally, such as the EC Fourth and Seventh Directives and International Accounting Standards.	The auditor's report addresses whether the financial statements provide a "true and fair view" in accordance with applicable laws and regulations in force in Hungary.	Balance Sheet (R) Income Statement (R) Statement of changes in shareholders equity (R) Notes to the financials (R)
India	Company Law prescribes the form of the report. The developments within the Company Law have increased disclosure requirements.	The financial statements are usually prepared in accordance with the Institute of Chartered Accountants of India.	Balance Sheet (R) Profit and Loss Account (R)
Israel	The Israel Accounting Standards Board (IASB) was founded in April 1997 as a result of an agreement between the Israel Securities Authority and the Israeli Institute of Certified Public Accountants. The agreement sets the institutions of the Board and prescribes the due process of the accounting rulemaking.	IASB has been the accounting rulemaking body in Israel since April 1997.	In development

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Italy	Commissione Nazionale per le Società e la Borsa has ruled that IASC principles should be applied when no equivalent has been approved by the Italian accounting profession.	No reference is made to the “true and fair view.” The statements must present the financial position and the changes in financial position for the year, in conformity with the accounting principles established by the accounting profession.	Balance Sheet (R) Income Statement (R) Notes on the Accounts (R) Report on operations (R) Statement of Cash Flows (Optional)
Japan	The Business Accounting Deliberation Council (BADC) for the Finance Ministry is the single most authoritative source of Japanese GAAP, which are contained in the statements of financial accounting standards issued by the BADC.	The financial statements should be in accordance with the generally accepted accounting principles in Japan. The financial accounting standards issued by the BADC together with the accounting guidelines issued by the JICPA make up Japan’s GAAP.	Balance Sheet (R) Income Statement (R) Statement of Cash Flows (Required for publicly traded companies)
Liechtenstein		Audited accounts are required. Swiss accounting rules apply.	
Mexico	Auditing standards in Mexico are established by the Auditing Standards and Procedures Commission of the Mexican Institute of Accountants.	The audit opinion states whether the financial statements “present fairly” the financial position of the company, the results of its operations, and changes in its financial position.	Balance Sheet (R) Income Statement (R) Statement of changes in shareholders equity (R) Statement of Cash Flows (NR) Notes to the financials (R)

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Netherlands	An act of Parliament forms the basis for annual reports of companies in Title 9 of the Civil Code. Title 9 also provides flexibility to comply with the Fourth Directive of the European Union. A committee, the Council for Annual Reporting, is working on a draft of the general accounting principles.	The auditor's report addresses whether the financial statements provide a "true and fair view" in accordance with auditing standards generally accepted in the Netherlands.	Balance Sheet (R) Income Statement (R) Notes to the financials (R)
Norway	The Norwegian Accounting Standards Board publishes the financial accounting standards. Interpretation of the "good accounting practice" has challenged parties interested in financial reporting to express their opinions.	General requirement that the annual accounts shall be prepared in accordance with "good accounting practice."	Balance Sheet (R) Income Statement (R) Notes to the financials (R)
Spain	The commercial and accounting regulations introduced by the Commercial Reform Act and by the Legislative Royal Decree from the adapted text of the Corporations Act provide an ample and complete control of accounting practices and complete the criteria and regulations for the preparation and presentation of accounting information to be given in the annual financial statements.	The Chart of Accounts states that the balance sheet, income statement, and footnotes form a unit and must be drafted clearly and present a "true and fair view" of the company's net worth, financial position, and net income in conformity with generally accepted accounting principles.	Balance Sheet (R) Income Statement (R) Notes to the financials (R)

Financial Statements (Cont'd)

Country	Financial Statements	Audit Report	Statements: Required (R) Not Required (NR)
Sweden	The Swedish Companies Act and Accounting Act prescribe the format of the financials.	The Swedish Companies Act states that the audit should be carried out in accordance with generally accepted auditing standards and include a recommendation that the accounts be adopted.	Balance Sheet (R) Income Statement (R) Notes to the financials (R) Statement of Cash Flows (R)
Switzerland	The Swiss Institute of Certified Public Accountants prescribes the form of the report.	The financial statements should give a “true and fair view” in accordance with Switzerland auditing standards promulgated in Switzerland by the profession.	Balance Sheet (R) Profit and Loss Account (R) Notes to the financials (R)
United Kingdom	Statements of Auditing Standards issued by the Auditing Practices Board (APB) prescribe the form of the report.	The Companies Act 1985 requires auditors to report whether or not the accounts give a “true and fair view” and should be conducted in accordance with auditing standards issued by the Auditing Practices Board.	Balance Sheet (R) Profit and Loss Account (R) Cash Flow statement (R) Notes to the Accounts (including reconciliation of movement’s in shareholders’ funds) (R)
United States	Statements on Auditing Standards (issued by the Auditing Standards Board) of the AICPA prescribe the form of the report.	Usually states whether or not the financials are “presented fairly” in conformity with US GAAP.	Balance Sheet (R) Income Statement (R) Statement of changes in stockholder’s equity (R) Statement of cash flows (R) Notes to the financials (R)