

# Introduction

*The purpose of this publication is to describe how a school becomes eligible to participate in the Federal Student Aid (FSA) programs and to explain the administrative and fiscal requirements of FSA program participation. In addition, this publication discusses other issues relevant to the general administration of the FSA programs.*

This chapter provides a *summary* of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text here does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol.



When the text represents a clarification rather than a change, it is indicated with this symbol.



## MAJOR CHANGES BY CHAPTER

### *Chapter 1 – Institutional and Program Eligibility*

- √ We have clarified, for institutional eligibility purposes, the criteria for considering home-schooled students to be the equivalent of high school graduates.

### *Chapter 5 – Cash Management*

- √ We have clarified that as long as regulations do not specifically require that a school send a notice via U.S. mail, the school may send that notice via electronic means. Unless required by regulation, a school does have to obtain and maintain confirmation of a notice sent electronically.

- √ We have added a section explaining that a school may obtain authorizations electronically as long as the school provides the protections enumerated under *The Electronic Signatures in Global and National Commerce Act*.

### Chapter 6 – Return of Title IV Funds

- √ We have clarified that the determination of a student's withdrawal date is the responsibility of the school. If a school is using a last date of attendance at an academically-related activity as the withdrawal date, the school, not the student, must document the student's attendance.
- √ We have revised the requirement for including LEAP funds in a Return calculation.
- √ We discuss the Return requirements when a student fails to earn a passing grade in any of his or her classes.
- √ We discuss the ways that COD will affect how schools enter student payments in the Pell system and refer overpayments to ED Collections.
- √ We alert schools to the fact that payments on Pell Grant overpayments and reductions in Pell Grants that occurred during the 1999-2000, 2000-2001, and 2001-2002 award years will be recorded differently than those that occur in subsequent years. In addition, we inform schools that for the 2002-2003 award year, schools that are full participants in COD will record reductions and payments in a different way than phase-in participants.
- √ We have clarified the actions that an institution should take if it expels, suspends, or otherwise disenrolls a student during a period.
- √ We have clarified that for a student who withdraws after the 60% point-in-time, even though a return is not required, a school must still **complete a Return calculation** in order to determine whether the student is eligible for a post-withdrawal disbursement.
- √ We have clarified that any time a student enrolled in a standard-term program offered in modules withdraws or drops a class before having begun attendance in all classes for which the student was registered, the institution **must recalculate** the student's eligibility for Pell and campus-based funds based on a revised cost of education and enrollment status (34 CFR 690.80(2)(2)(ii)).
- √ We have clarified that generally the type of leave of absence that would meet the definition of an approved leave of absence applies primarily to clock hour or self-paced credit hour programs.

- 
- √ We have provided instructions on the actions an institution must and may not take in the event of the death of a student.
  - √ We have clarified that under the Return regulations, application and registration fees are excluded from institutional charges because they are not an educational cost.
  - √ We explain that if an institution tracks the completion of clock hours in portions of an hour, it might be able to use portions of an hour to determine the percentage of Title IV aid earned when a student withdraws.
  - √ We have clarified that a school must include the cost of books and materials purchased with a book voucher (generated from Title IV funds) in the Return of funds calculation in Step 5, Part G, if the book voucher cannot be used to purchase course materials from a **convenient unaffiliated source**.
  - √ We have provided instructions on the actions a school should take if it receives a payment for an overpayment **previously referred to ED Collections** if
    1. the overpayment was made in the current award year; and
    2. the payment will **retire the student's debt in full**.
  - √ We have included a sample of the information a school must provide in its consumer information about the Return of Title IV aid.

### ***Chapter 10 – Applying for and Maintaining Participation in the FSA Programs***

- √ Chapter 10 has been reorganized and the section describing Quality Assurance Program has been expanded.

### ***Chapter 12 – Distance Education***

- √ The section on correspondence and telecommunications courses and students has been reorganized and expanded. It now provides a more detailed explanation on the effects of correspondence and telecommunications courses and students on institutional eligibility.

