

TIV Compliance

**TIV Compliance: Top Ten ways to get on the Government Meal Plan**

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**Top 10 - by occurrences: Audits & Program Reviews - FY10**

7. Pell Over/Under Payments - B
8. Auditor's Opinion/ Lack of Administrative Capability - B
9. Student Status Reports - A
10. Satisfactory Academic Progress (inadequate policy; not monitored) - R



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**Top 10 Findings (FY10): Audits and Program Reviews**

1. Repeat Findings/Failure to Correct - A
2. R2T4 (errors; late; not made) - B
3. Verification - B
4. Credit Balances - B
5. Entrance/Exit Counseling - B
6. Consumer Info (i.e. Crime Awareness) - R



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**Discussion of Findings**



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**(1) Repeat Finding-Failure to Take Corrective Action**

- Same finding(s) identified in subsequent audit(s)
  - School failed to adequately develop, implement, and/or monitor procedures to ensure Corrective Action Plan was followed
- *Example:* Repeat findings for Pell Overpayments, Late R2T4 calculations/returns, and Credit Balance Deficiencies



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**Repeat Finding - Observations**

- Determine why CAP was not effective
  - Is it working?
  - Are changes needed to improve process?
- Develop specific procedures for CAP action items
- Assign responsible person/office to ensure CAP is implemented/monitored



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**(2) Return of Title IV Funds**

**1.) Late Returns**

- Returns not made within allowable timeframe (45 days)
  - Inadequate system in place to identify/track official and unofficial withdrawals
  - No system in place to track number of days remaining to return funds
  - Lack of coordination between offices



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**Return of Title IV Funds**

**1.) Late Returns - Observations**

- Ensure a knowledgeable person has responsibility for tracking the return of funds
- Design processes and procedures to track/monitor the deadlines
- Ensure timely communication between offices
- Use R2T4 on the Web report feature



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**Return of Title IV Funds**

**2.) R2T4 Errors**

- Incorrect institutional charges for the period
- Scheduled breaks not included
- Incorrect days in payment period
- Incorrect withdrawal date
- Use of out-of-date R2T4 forms
- Mathematical errors



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**Return of Title IV Funds**

**2.) R2T4 Errors – Observations**

- Review and modify R2T4 policies and procedures to ensure a correct understanding of the calculation requirements
- Use correct institutional charges for the payment period
- Use R2T4 Worksheets
  - Electronic Web Application
  - Paper



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**Return of Title IV Funds**

**3.) R2T4 not done**

- Failure to perform required calculations
- TIV funds never returned



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**Return of Title IV Funds**

**3.) R2T4 not done – Observations**

- Designate offices AND personal responsible for calculating and returning funds
- Implement withdrawal monitoring process
  - Official AND unofficial
- Communication strategy to ensure all offices notified of withdrawals
  - tracking mechanism between key offices
- Reconciliation process between calculations and funds returned



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**(3) Verification Violations**

- Verification Worksheet not signed
- Untaxed income not verified
- Conflicting data on ISIR and verification documents not resolved
- Required corrections not processed
- Verification Policy inadequate



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**Verification Violations - Observations**

- Follow published verification procedures; ensure all required items are verified; document student files
- Monitor verification process to ensure procedures are followed
- Perform a self-assessment by reviewing a random sample of student files
- Use Verification Worksheets
  - School developed or ED worksheets



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**(4) Student Credit Balance Deficiencies**

- No process in place to determine when a credit balance has been created
- Credit balances not released to students within required 14-day timeframe
- Credit balances held without student authorizations



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**Student Credit Balance - Observations**

- Implement new procedures and controls to *identify* and *release* credit balances timely
- Develop a system to track number of days remaining to release funds timely
- Identify office responsible for developing and obtaining authorizations

\*\* Prior year charges may increase credit balances  
 - Not more than \$200 of current TIV aid can be used to pay prior year charges



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**(5) Entrance/Exit Counseling**

- Entrance counseling not conducted/not documented for required students
- Exit counseling materials not mailed to students who failed to complete counseling
- Exit counseling not conducted for withdrawn students
  - *Example:* School's system failed to identify all students who dropped below half-time basis, resulting in exit counseling materials not mailed to withdrawn students



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**Entrance/Exit Counseling - Observations**

- Assign responsibility for monitoring the exit interview process; modify automated system
- Develop process for documenting student completion
- Develop procedures for ensuring communication between Offices
- Seek support from servicers or ED (for Direct Loans)



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**(6) Consumer Information Requirements Not Met**

- Written verification policy not provided to students selected for verification
- R2T4 policy not published or incomplete
  - Withdrawal policy
  - Basic explanation of R2T4 calculation
- SAP policy incomplete
- Incomplete/untimely *Campus Crime Report*\*

**\*#1 violation under consumer info**



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**Crime Awareness Requirements not Met**

- Policies and procedures not developed
- Annual report not published and/or distributed annually to current students/staff
- Failure to develop a system to track and/or log all required categories of crimes
- Failure to provide timely warnings and/or notifications of crimes committed



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**Crime Awareness - Observations**

- Review required consumer information periodically (revise/update)
  - Identify person(s) responsible for information (*including campus crime requirements*)
- Ensure someone is available to address student questions about consumer information
- Develop process for gathering crime statistics
- Develop communications plan for timely warnings and notifications



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**Crime Awareness - Assistance**

- Review *Handbook for Campus Crime Reporting*  
– <http://www.ed.gov/admins/lead/safety/handbook.pdf>
- Review HEOA additional requirements  
– Emergency response, timely warnings, fire safety, missing persons
- Review *Information Required to be Disclosed Under the Higher Education Act: Suggestions for Dissemination*  
<http://nces.ed.gov/pubs2010/2010831rev.pdf>



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**(7) Pell Grant Over/Under Payment**

- Adjustments not made for change in enrollment status between terms
- Attendance not documented in all coursework counted in the enrollment status  
– Modules or compressed coursework
- Incorrect Pell Formula
- Incorrect EFC
- Incorrect payment periods
- Eligibility issue with 2<sup>nd</sup> scheduled Pell award



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**Pell Grant Over/Under Payment - Observations**

- Develop procedures to ensure all subsequent ISIRs are reviewed and aid is adjusted accordingly
- Use correct enrollment status
- Use correct Pell Formula/Schedule
- Verify that student began attendance in all coursework
- Process to check Pell specific eligibility issues



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**(8) Auditor's Opinion Cited in Audit/Lack of Admin Capability**

- Anything other than an unqualified opinion
- Indicates serious deficiencies/areas of concern in the compliance audit and/or audited financial statements
  - Separation of duties
  - System of internal controls
  - Failure to reconcile program accounts
  - Inadequate accounting systems and/or procedures



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**Auditor's Opinion/Lack of Admin Capability- Observations**

- Review and revise policies and procedures
- Implement accounting system in accordance with generally accepted accounting principles
- Perform monthly reconciliation
- Hire and retain adequate experienced staff
- Establish a process of timely communication between all relevant offices
- Ensure that no one person or office has the ability to award *and* disburse aid



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**(9) Student Status-Inaccurate or Untimely Reporting**

- Submittal File not returned within 30 days of receipt of Roster File
- Use of incorrect enrollment status code
- Incorrect graduated effective date
- Student reported as withdrawn for summer even though expected to return in the fall
- Use of third-party servicers
  - School failed to transmit data or untimely to servicer



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**Student Status Reporting - Observations**

- Provide training to personnel on correct status/dates
- Implement monitoring system and designate staff to ensure timely reporting
- Develop process for enrollment verification
- Maintain accurate enrollment records
- Use the correct status codes
- Maintain SSCR documentation
  - Acknowledgement/Error File



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**(10) SAP Policy Not Adequately Developed/Monitored**

- Policy fails to address required components
  - Qualitative, quantitative, completion rate, and/or maximum timeframe
- Policy less strict than policy for non-Title IV recipients
- SAP standards not consistently applied
- Aid disbursed to students who were not meeting minimum SAP standards



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**SAP - Observations**

- Develop adequate SAP policy
  - Required components, remedial and repeat coursework, probationary periods, appeal process
- Document each student's file to reflect eligibility for disbursements
- Check SAP prior to disbursing aid
- Follow your written policy!



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**Where do you go from here?**




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**Communication**

- Internal
  - Within offices
  - Between offices (periodic meetings, workshops, etc.)
  - With students/parents
- External
  - Between schools
  - U.S. Department of Education
  - Accrediting Agencies
  - State Agencies
  - Servicers



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**Training and Technical Assistance**

- Why?
  - Knowledge (refresh, improve, increase)
  - Changes (new procedures, policies, technology)
  - Back-up personnel, cross-training, succession planning
- How?
  - Associations, conferences, workshops
  - FSA Coach (ED CBT); FSA Assessments
  - Institutional Program Reviews and Audits
  - *ACA Funds* (Pell and Campus-Based)



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**Internal Reviews/Audits**

**Who**

- Compliance/Quality Assurance Office
- School Auditor
- Different Offices focus on specific areas

**How**

- School Programs Reviews/Audits - foundation
- Program Review Guide (typical items reviewed)
  - IFAP - "Publications"
- FSA Assessments



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**FSA Assessments**

- Self-assessment tool designed to assist schools in evaluating their financial aid policies, processes, and procedures
- Includes assessment modules on Students, Schools, Managing Funds, and Policies and Procedures

<http://www.ifap.ed.gov/qahome/fsaassessment.html>



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**Resources, References & Contacts**

- Information
  - o Audit Guides, Blue Book, FISAP Instructions, Dear Colleague, Default rate guide, FAFSAs, Federal Registers, Federal Student Aid Handbooks...
  - o *Automatic mailer under "My IFAP" (Subscriptions)*
- Websites
  - IFAP, NSLDS, FISAP, COD, Direct Loan, SAIG enrollment, FAA Access to CPS on the Web...
- U.S. Department of Education Contacts
  - Under "HELP" on IFAP



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**Feedback on Training**  
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