

CHAPTER 2

ADMINISTRATIVE RESPONSIBILITIES OF IOWA POSTSECONDARY EDUCATIONAL INSTITUTIONS

College and university officials seeking eligibility for students to receive state-funded student financial aid must request participation from the Iowa College Student Aid Commission. Upon review of program requirements described in the following individual program chapters, college and university officials who believe their students should be allowed to participate in the Commission's programs should send a letter to the Commission's Director of Program Administration requesting participation information.

Commission staff will examine the accreditation {most programs require accreditation through the Higher Learning Commission, formerly NCA} status of all participating colleges and universities annually to ensure compliance with state participation requirements.

Responsibility for ensuring the appropriate use of state-funded student financial aid lies with the chief executive officers at Iowa's colleges and universities. However, for administrative purposes, chief executive officers may designate individuals to be responsible for student financial aid, fiscal operations, and student enrollment.

Designation of responsibility must effectively separate program and fiscal functions. The Commission recommends the following distribution of duties:

1. **Financial aid administrators** to be responsible for coordination of all student financial assistance.
2. **Fiscal officers or business managers** to be responsible for maintaining accounting records and disbursing monetary awards.
3. **Registrars** to be responsible for maintaining enrollment records and monitoring students' dates of attendance.
4. **Campus Security Officers** to be responsible for adopting and enforcing policies that prohibit unlawful behavior by students and employees.
5. **College or university officials:**
 - To be responsible for posting lists of required and suggested textbooks for all courses and the corresponding international standard book numbers for such textbooks at least fourteen days before the start of each semester or term, at the location where textbooks are sold on campus and on the website for the institution.
 - Promote Equal Employment Opportunity/Affirmative Action efforts in the recruitment, appointment, assignment and advancement of personnel at the institution.

Chief executive officers, financial aid administrators, fiscal officers/business managers, registrars, equal employment opportunity/affirmative action coordinators, and campus security officers must communicate effectively to ensure that each has information available to complete required duties. The recommended general duties of these officers, as they relate to state-funded student financial aid programs, are provided in this chapter.

A. FINANCIAL AID ADMINISTRATORS

Financial aid administrators overseeing state-funded student financial aid programs are responsible for:

- Reviewing applicant information for accuracy, completeness, and reasonableness;
- Clarifying questionable information and documenting resolutions;
- Documenting changes in Expected Family Contributions (EFCs) submitted to the Iowa College Student Aid Commission;
- Resolving discrepancies between application information on need analysis reports and verification documentation;
- Updating and correcting applicant information electronically through the CPS or by requesting that students resubmit SARs with corrected information;
- Providing award information to students;
- Ensuring that disbursement rosters in the State Scholarship and Grant Reporting System accurately portray the college disbursements made throughout the academic year;
- Reporting disbursements by Commission-defined reporting deadlines, listed in Chapter 3; and
- Ensuring overpayments are refunded to the Commission in accordance with the State Refund Procedures, as detailed later in this chapter.

When carrying out their duties, financial aid administrators should ensure that the following Commission requirements are fulfilled.

1. Individual Student Records

Individual student records must be maintained by college and university officials for all students who receive awards from state-funded financial aid programs. These records, which are generally located in the financial aid office, must include:

- a) Aid application need analysis reports;
- b) Documentation for any adjustments to students' records;
- c) Award letters (or copies), if awards are offered;
- d) Verification of each student's enrollment satisfactory academic progress;
- e) Resolved verification requests;
- f) Withdrawal and refund information; and
- g) Items listed under the section titled "Recordkeeping and Disclosure" in **The Federal Student Financial Aid Handbook**;
- h) The documents used in a residency determination, if applicable.

All student financial aid records must reconcile with student accounting records and must include documentation for any changes to the initial award amounts.

Verification of information is required by the Commission for all students for whom verification is required by the federal Department of Education.

Accounting records and individual students' records are to be retained for **three years** from the end of the award years in which students last attended the college or university or until any audit questions have been resolved.

2. Standards of Satisfactory Academic Progress

Written standards of Satisfactory Academic Progress (SAP) must be established by college or university officials and must be met and maintained by each student receiving state-funded financial aid. College and university officials are encouraged to review federal Title IV Student Assistance General Provisions Regulations to ensure that college or university standards comply with federal regulations (see Code of Federal Regulations at 668.34).

3. Award Year

The award year for state-funded programs coincides with the **traditional academic year**, September 1 to May 31. The award year always begins the month in which the majority of students begin their programs. Payments to students generally are not made during summer terms.

For Iowa Vocational-Technical Tuition Grants, the award year may be extended by the Commission to a period of twelve months (two semesters, four quarters, or the trimester equivalent) if adequate funds exist to support

summer payments. Normally, a summer period begins on June 1 and ends on August 31.

College and university officials operating under academic calendars that do not coincide with the Commission's fiscal year or the traditional academic year, must submit proposed plans of disbursement to Commission staff by **December 1** prior to the new processing year. When an agreement has been reached and approval granted, payment of awards will be authorized.

4. Student Budgets

Each year Commission staff requests anticipated tuition, mandatory fees, room and board, and other projected college and university charges for the next academic year. College and university officials are responsible for providing accurate budget information and informing Commission staff of changes.

Iowa Tuition Grant, Iowa Vocational-Technical Tuition Grant, All Iowa Opportunity Scholarship, Iowa Work Study, Iowa Grant, and Barber and Cosmetology Arts and Sciences Tuition Grant awards are based on the difference between a student's total Expected Family Contribution (EFC) and projected college or university expenses.

Mandatory fees (such as activity and library fees) should only include actual fee charges that are consistently assessed to all undergraduate students at the college or university. Mandatory fees may differ by program within the college or university but must be applied to all students enrolled in a specific program. Fees paid on a "one-time" basis (such as matriculation and graduation fees or fees for special classes) are not included when calculating state aid eligibility. Other projected college and university costs include such items as books, supplies, transportation, and miscellaneous expenditures.

These cost projections assist Commission staff in establishing the Commission's Standard Allowance which is added to college and university reported tuition, fees, and room and board charges to determine annual budgets for students. The information also is used to calculate estimated state-funded awards which will be reflected on college and university Payment Files.

The Commission's Standard Allowance for 2012-13 is \$4,274 for a 9-month academic year. These amounts include:

	9-Month
Books and Supplies	\$1,040
Transportation	\$1,452
Personal/Miscellaneous	<u>\$1,782</u>
Total	<u>\$4,274</u>

The Standard Allowance is added to college and university actual reported tuition, fees, and room and board charges to calculate the total student budget when calculating eligibility for an Iowa award.

Tuition and Fees* + Room and Board + Standard Allowance = Student Budget

*Only mandatory fees as described above may be used in this calculation.

This formula for calculating state student budgets must be used when calculating need for Iowa awards.

Exceptions to student budget calculations may be allowed for special circumstances (such as assistance for students with disabilities). However, all exceptions must be approved by the Commission's Director of Program Administration.

5. Gift Aid

Students who receive state-funded student financial aid may receive the balance of unmet need in gift aid assistance without jeopardizing the level of the state-funded award. The total amount of gift aid applied to the student's account must not exceed a student's calculated unmet need as defined by the Commission. Loan funds and proceeds from work programs are excluded from the gift aid total.

A new federal aid program, the Teacher Educational Assistance for College and Higher Education (TEACH) Grant, was established for the 2008-09 academic year. The Commission received direct guidance from the Department of Education that this new program is a grant, and should be treated as such. Although, this federal grant program can offset the Expected Family Contribution (EFC) by federal regulation. So, for purposes of Iowa gift aid regulations, only the amount of TEACH Grant awarded to a student that exceeds that student's EFC will count as gift aid in the Iowa gift aid calculation. It is not expected that many state-funded student awards will be influenced by this new guidance. For more guidance, please see the TEACH Grant gift aid examples below.

A \$300 over-award threshold is allowed in calculating the gift aid cap. If gift aid exceeds the \$300 threshold, college or university officials must adjust state-funded awards or institutional awards to ensure that the threshold is not exceeded. If state-funded awards are reduced, funds must be returned to the Commission.

Example 1 Iowa Tuition Grant:

Student Budget as defined by the Commission (Tuition and Fees* + Room and Board + Standard Allowance)	\$20,500
Minus Expected Family Contribution	(\$ 7,500)
Minus Commission-Funded Financial Aid	<u>(\$ 3,700)**</u>
Equals Commission Unmet Need	<u>\$ 9,300</u>
Plus Gift Aid Threshold	\$ 300
Total Gift Aid Allowed Before State-Funded or Institutional Aid Must be Reduced	<u>\$ 9,600</u>

Example 2 Iowa Vocational-Technical Tuition Grant:

Student Budget as defined by the Commission (Tuition and Fees* + Room and Board + Standard Allowance)	\$ 8,500
Minus Expected Family Contribution	(\$ 3,000)
Minus Commission-Funded Financial Aid	<u>(\$ 1,200)</u>
Equals Commission Unmet Need	<u>\$ 4,300</u>
Plus Gift Aid Threshold	\$ 300
Total Gift Aid Allowed Before State-Funded or Institutional Aid Must be Reduced	<u>\$ 4,600</u>

Example 3 TEACH Grant and Iowa Tuition Grant:

Student Budget as defined by the Commission (Tuition and Fees* + Room and Board + Standard Allowance)	\$ 20,500
Minus Expected Family Contribution *EFC is greater than TEACH Grant, no adjustment to gift aid necessary	(\$ 7,500)
Minus Commission-Funded Financial Aid	<u>(\$ 3,700)**</u>
Equals Commission Unmet Need	<u>\$ 9,300</u>
Plus Gift Aid Threshold	\$ 300
Total Gift Aid Allowed Before State-Funded or Institutional Aid Must be Reduced	<u>\$ 9,600</u>

Example 4 TEACH Grant and Iowa Tuition Grant:

Student Budget as defined by the Commission (Tuition and Fees* + Room and Board + Standard Allowance)	\$ 20,500
Minus Expected Family Contribution *Maximum TEACH Grant eligibility is \$4,000, so a total of \$500 must be included in the Iowa gift aid calculation if the full TEACH is awarded	(\$ 3,500)
Minus Commission-Funded Financial Aid	<u>(\$ 3,700)**</u>
Minus excess TEACH Grant funding	<u>(\$500)</u>
Equals Commission Unmet Need	<u>\$ 12,800</u>
Plus Gift Aid Threshold	\$ 300
Total Gift Aid Allowed Before State-Funded or Institutional Aid Must be Reduced	<u>\$ 13,100</u>

*Only mandatory fees as described above may be used in this calculation

**This amount may not reflect the current maximum award for the program indicated

6. Order for Awarding State Funds

State administered funds should be awarded to eligible recipients in the following order:

<u>Program</u>	<u>Maximum Award</u>	<u>Apply To</u>
Iowa Tuition Grant – Not-For-Profit	TBD	Tuition Only (need-based)
Iowa Tuition Grant - Proprietary	TBD	Tuition Only (need-based)
Iowa Vocational-Technical Tuition Grant	\$1,200	Tuition Only (need-based)
Barber and Cosmetology Arts and Sciences Tuition Grant	\$1,200	Tuition Only (need-based)
All Iowa Opportunity Scholarship	\$7,806	Items Included on Student Budget (need-based)
Iowa Grant	\$1,000	Items Included on Student Budget (need-based)
Iowa Work Study	COA – EFC	Items Included on Student Budget (need-based)
Educational Training Voucher	\$5,000	Items Included on Student Budget and Expected Family Contribution (not need-based)
Iowa National Guard Educational Assistance	TBD	Items Included on the Student Budget and Expected Family Contribution (not need-based)
All Iowa Opportunity Foster Care Grant	See Chapter 9	Items Included on Student Budget and Expected Family Contribution (not need-based)

7. Calculation of State Award Amounts

If the calculation of a student award does not end up as a whole dollar amount, the award should be rounded down to the nearest dollar. For example, a community college is calculating an NGEAP award covering 80% of their tuition and fees. After calculation, the award amount comes to \$1,286.60. This award should be rounded down to the nearest dollar, resulting in an award of \$1,286. This guidance is to remain consistent with the State Refund Procedures.

8. Certification of Recipients

Payment Files and adjustments must be provided to the Commission by the deadlines found in Chapter 3. Chapter 3 contains a complete explanation of the certification process.

9. State Refund Procedures

If a student discontinues attendance before the end of any term after receiving payment under a state grant program, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the college or university to the Commission.

If a student withdraws before the end of a term after receiving state financial aid payments, the percentage calculated under the college or university's formula for return of funds to the student must be used to calculate the state refund amounts. The only state scholarship or grant program that is exempt from this policy is the Iowa Work-Study Program.

For example: If, when using the college or university's refund policy, officials determine that a 20 percent refund is required, then 20 percent of each state award also must be refunded to the state program from which the funds originally were received.

College and university officials must adjust a student's state award and make the appropriate adjustment on the State Scholarship and Grant Reporting System. Funds need not be returned to the Commission until the term's payment information has been submitted and reconciliation completed between college or university officials and Commission staff. When an Iowa Grant is reduced, the released funds should be reallocated by college or university officials to another eligible student.

When state funds must be returned, payment must be made within 30 days of the final reconciliation of the Scholarship and Grant System or within 30 days of the date that college or university officials learn that funds must be returned, whichever is later. The payment must be accompanied by a list of recipients for whom refunds are being provided. The list must include each student's name, amount of the individual refund, name of the state aid

program to which funds are being returned, and the applicable award period (academic year).

College and university officials may **round down** all refunds to the whole dollar amount. Examples: \$625.30 may be rounded down to \$625.00; \$785.97 may be rounded down to \$785.00.

10. Repayment Procedures

Students determined to have been ineligible for state funds due to student error or fraud, such as understating family income, must repay all funds. When college or university officials determine that students owe repayments, they must:

- a) Immediately cancel future state-funded student financial aid payments.
- b) Notify the Commission of the cancellation.
- c) Consider the students ineligible for state aid until repayment is complete or satisfactory repayment arrangements have been made with, and confirmed by, the Commission.

Commission staff will determine and oversee any further action

B. FISCAL OFFICERS/BUSINESS MANAGERS

Student account records are required for audit purposes. Accounting records should document an orderly flow of funds into students' accounts and must include the controls necessary to ensure compliance with state regulations.

Accounting records must include, but are not limited to, the following:

- Official student award Files,
- Payment Files,
- Vouchers,
- Canceled checks,
- Electronic Funds Transfer (EFT) documentation,
- Appropriate documents showing disbursements to students, and
- Items listed under the section titled "Fiscal Records a School Must Maintain" in **The Federal Student Financial Aid Handbook**.

1. Disbursements

Disbursements may be made only when college and university officials have fully documented applicant eligibility. Financial aid administrators are required to sign certification forms prior to the Commission issuing state warrants.

For students selected for federal verification, disbursements of state-funded student financial aid may be made prior to completing the verification process as long as college or university officials have no reason to believe application information is inaccurate. If students become ineligible for aid due to verification activities, the state financial aid must be returned to the Commission.

2. Retaining Student Records

Accounting records and individual students' records are to be retained for three years from the end of the award years in which students last attended the college or university or until any audit questions have been resolved.

C. REGISTRARS

1. Withdrawal

Colleges and universities must establish internal policies, which include the financial aid office in official withdrawal procedures. Such involvement is intended to ensure that refunds of tuition paid with state funds are returned to the Commission.

2. College Catalog

Colleges and universities must provide accurate student information to all students. The college or university catalog is a tool that officials may use to distribute required student information.

D. CAMPUS SECURITY OFFICERS

Colleges and universities participating in state-funded student financial aid programs must comply with Section 261.9 of the **Iowa Code** and federal regulations in reporting campus crimes and other security related issues.

College and university officials must follow all federal and state regulations including, but not limited to:

- Adopting policies, which prohibit unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the institution or in conjunction with activities sponsored by the institution. College and university officials shall provide information about these policies to all students and employees. Policies must include clear statements of sanctions for violation of the policies and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, a college or university shall provide substance abuse prevention programs for students and employees.
- Developing and implementing written policies, which are disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse:
 - Counseling.
 - Campus security.
 - Education, including prevention, protection, and the rights and duties of students and employees of the institution.
 - Facilitating the accurate and prompt reporting of sexual abuse to the constituted law enforcement authorities.

- Filing copies of annual report required by the Federal Student Right-To-Know and Campus Security Act, Pub. L. No. 101-542, with the Division of Criminal and Juvenile Justice Planning of the Department of Human Rights, along with copies of written policies.

E. COLLEGE AND UNIVERSITY OFFICIALS

Colleges and universities participating in state-funded student financial aid programs must comply with Section 261.7 of the **Iowa Code** in posting lists of required and suggested textbooks for all courses and the corresponding international standard book numbers for such textbooks at least fourteen days before the start of each semester or term, at the location where textbooks are sold on campus and on the institution of higher education's website.

Colleges and universities participating in state-funded student financial aid programs must comply with Section 261.9 of the **Iowa Code** in promoting equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the college or university. In carrying out affirmative action and equal opportunity responsibilities, college and university must provide information regarding such efforts to the Commission upon request.