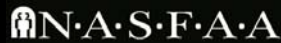


# Using NASFAA Tools to Ensure Title IV Compliance

National Association of Student  
Financial Aid Administrators

The following is prepared for  
presentation at the KASFAA  
Conference in Topeka, KS  
April 27, 2011

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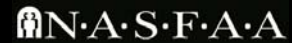
National Association of Student  
Financial Aid Administrators

## Using NASFAA Tools to Ensure Title IV Compliance

Eileen Welsh

Training Specialist  
Division of Training & Regulatory Assistance

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### NASFAA Tools Will Look At

- NASFAA's *Compiled Title IV Regulations*
- NASFAA'S *Self-Evaluation Guide*
- NASFAA's *Standards of Excellence Review Program*
- *NASFAA Policies & Procedures Tools*

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### NASFAA Tools Will Look At

- NASFAA's *Using Federal Tax Returns in Need Analysis*
- NASFAA'S *Monographs*
- Other tools currently undergoing updating

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### NASFAA's *Compiled Title IV Regulations*

- Each of the major parts of the Code of Federal Regulations relating to the Title IV programs in searchable PDF documents
- Updated at least annually to include regulations that go into effect as of July 1
  - Website includes editions for 2009, 2010, and 2011

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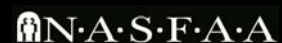


### NASFAA's *Compiled Title IV Regulations*

- Each part of the regulations contains:
  - Table of Contents that lists and links to subparts and sections
  - Bookmarks to allow navigation from any point in the document
  - Changes indicated by red font for new provisions and strikeout for deleted provisions
  - Gray background indicates early implementation permitted


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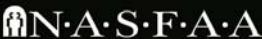


# Using NASFAA Tools to Ensure Title IV Compliance

NASFAA's *Self-Evaluation Guide*



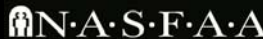
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What is the NASFAA *Self-Evaluation Guide*?


- In-house evaluation tool for Title IV and HHS programs
- Describes majority of requirements
- Includes good practices

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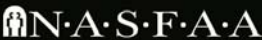


What is the NASFAA *Self-Evaluation Guide*?

- Contains regulatory citations and other references
- Questions designed to easily identify areas of noncompliance
- Interactive form fields



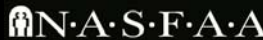
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Purpose and Applicability

- Designed as an in-house assessment tool to evaluate efficiency and effectiveness
- Contains typical program review and compliance audit questions

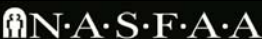
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Use *Self-Evaluation Guide* to:

- Prepare for audits and program reviews
- Affirm and/or revise financial aid operations, policies, and procedures
- Provide outline for policies and procedures manual

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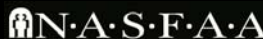


Use *Self-Evaluation Guide* to:



- Train staff
- Convey magnitude and complexity of financial aid administration to others
- Document need for resources, staffing, and physical accommodations

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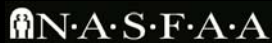
# Using NASFAA Tools to Ensure Title IV Compliance

## Use *Self-Evaluation Guide* to:

- Prepare reports
- Determine progress towards achieving goals for improvement
- Preliminary evaluation to target areas for a formal review

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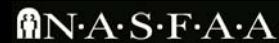
## *Self-Evaluation Guide* Topics Covered

The *Guide* is divided into 4 major parts:

- I. Institutional Responsibilities
- II. Administration of Title IV Federal Aid Programs
- III. Administration of Title VII and Title VIII Health Professions Programs
- IV. Appendices

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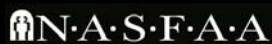
## How to Complete the *Guide*



- Guide is in interactive Q & A format
- “Yes” means requirement met
- “No” means follow-up needed
- “N/A” means not applicable to the institution

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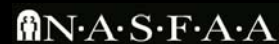
## How to Complete the *Guide*

The screenshot shows a web-based interface for the NASFAA Self-Evaluation Guide. It is titled 'IV. Return of Title IV Funds'. There are fields for 'Prepared by' and 'Reviewed by' with associated date fields. A note states: 'NOTE: Periodically, exceptions to certain statutory and regulatory requirements are granted due to national emergencies and/or federally-declared disasters. Information regarding exceptions/leavers for the 2010-11 award year may be found in the Guide introduction.' Below this is a table with columns for Reference, Question, Responsible Office, and Response. The table contains three rows of questions related to Title IV funds return processes.

Reference	Question	Responsible Office	Response
688.22(a)(1)	A. Does the institution have a process by which it identifies students for whom a return of Title IV funds calculation must be performed?	Finance/Ad	yes <input checked="" type="checkbox"/> no <input type="checkbox"/>
2010-11 FSA Handbook, p. 5-27	1. Does the institution apply the return of Title IV funds formula only if a student withdraws from all classes before completing a payment period or period of enrollment?	Finance/Ad	yes <input checked="" type="checkbox"/> no <input type="checkbox"/>
Federal Register: 8/9/08, p. 45328	2. Does the institution halt all Title IV disbursements upon learning of the student's withdrawal, until it calculates the amount of aid earned by the student?	Business	yes <input checked="" type="checkbox"/> no <input type="checkbox"/>

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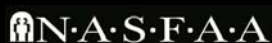
## New Features



- Most recent additions:
  - Satisfactory Academic Progress
  - Institutional Requirements Related to Education Loans
- Includes changes mandated by:
  - HEOA
  - ECASLA
  - October 2009 Final Rule Packages

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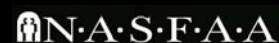


## Who Should Complete the *Guide*?

All offices that have activities that directly or indirectly impact financial aid programs should be involved

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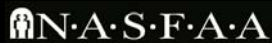
# Using NASFAA Tools to Ensure Title IV Compliance

## How Do I Get the *Self-Evaluation Guide*?

- Free membership benefit
- Twenty-sixth edition
- Twenty-fifth edition
- Available on NASFAA website under Membership tab, *Professional Practice Tools*

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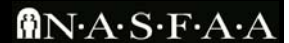


## NASFAA's *Standards of Excellence Review Program*



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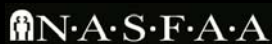


## What is the SOE Program?

- Voluntary appraisal of financial aid operations
- Assesses strengths and weaknesses
- Makes recommendations to improve Title IV operations and customer service
- Comprised of a team of your peers

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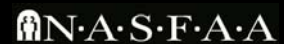


## What is a Peer Review?

- Financial aid administrators who have “been there and done that”
- Not affiliated with your institution
  - More likely to recognize issues
  - Objective
  - Fresh perspective

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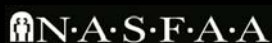
## What Areas Are Covered in a Review?

- Program compliance, operations, and delivery
- Systems, automation, and technology utilization
- Student service and satisfaction
- Human resources and facilities



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## SOE Contact Information

**For a quote or more information contact:**

**Ken McGhee**

**Program Coordinator**

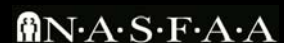
**202-785-0543**

[excellence@nasfaa.org](mailto:excellence@nasfaa.org)

[mcgheek@nasfaa.org](mailto:mcgheek@nasfaa.org)

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# Using NASFAA Tools to Ensure Title IV Compliance

*NASFAA Policies & Procedures Tools*



NASFAA  
POLICIES & PROCEDURES  
**TOOLS**

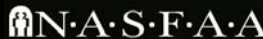
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*NASFAA Policies & Procedures Tools*

- Toolbox with all the user-friendly tools you need to create and maintain an electronic policies and procedures manual
- Benefit of NASFAA membership

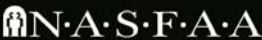
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*What's in the Toolbox?*

- Tools for formatting, implementing, and evaluating policies and procedures
- *Regulatory Resources Guide* containing:
  - Explicit and implied regulatory requirements
  - Areas where schools have implementation options

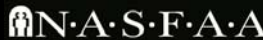
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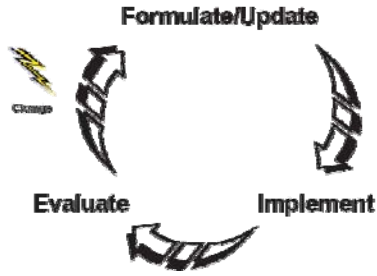
*What's in the Toolbox?*

- Tips for formatting your P&P manual
  - Page format samples
  - Style decisions
  - Master tracking document
- Guidance for reading and interpreting statutes and regulations


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*P&P Development Cycle Example*



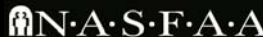
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*P&P Development Cycle Example*



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# Using NASFAA Tools to Ensure Title IV Compliance

## P&P Development Cycle Example

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N·A·S·F·A·A

## What's in the Toolbox?

Electronic P&P manual templates:

- Full version with comprehensive detail, including citations and references
- “Shell” version—a pared-down outline of full version

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N·A·S·F·A·A

## Template Features

- Electronic shared-file, network and Internet capability
- Descriptions of sections required or implied by law or regulation

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N·A·S·F·A·A

## Manual Template Sections

1: Manual Introduction	9: Awarding & Packaging
2: Administrative Organization & Office Management	10: Professional Judgment
3: Financial Aid Programs	11: Disbursements
4: Institutional Requirements Related to Student Loans	12: Satisfactory Progress
5: Student Consumer Information	13: Return of Title IV Funds
6: Applications & Forms	14: Institutional Refunds
7: File Review	15: Fraud
8: Student Budgets	16: Audits
	17: Reserved
	18: Appendices

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N·A·S·F·A·A

## Template Features

Click-and-type functionality to easily add your school's information

Procedures	
Describe the process of identifying those applicants or applications selected for verification. Include a statement regarding the process of identifying and verifying subsequent or additional applications. Explain how the institution will monitor the number of selected applicants to make sure verification policies are enforced and/or percentages are met.	688.54(a)
<a href="#">Click here to insert your school's procedures</a>	
Last updated: <a href="#">Click here to insert date</a>	

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N·A·S·F·A·A


## Where Can I Find the *Tools*?

Under Membership tab, Professional Practice Tools on the NASFAA website

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N·A·S·F·A·A


# Using NASFAA Tools to Ensure Title IV Compliance



**NASFAA's**

**Using Federal Tax Returns in Need Analysis**


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**Using Federal Tax Returns in Need Analysis**

- Reference tool on how to use federal income tax returns, forms, and schedules for:
  - Verification
  - Need analysis
- Updated annually by NASFAA

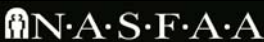
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**Using Federal Tax Returns in Need Analysis**

- Cross-references FAFSA line items to tax returns, W-2 forms, and schedules
- Describes commonly used tax forms
- Highlights use of W-2 forms for verifying certain taxable and untaxed income
- Contains *Guide to Implied Income and Assets*

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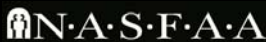


**Forms and Schedules Comparison Sample**

2010 Federal Tax Forms and Schedules Comparison

Need Analysis Data Elements	1040*	1040A*	1040EZ*	FAFSA*
Exemptions Claimed <sup>1</sup>	Line 6d <sup>1</sup>	Line 6d <sup>1</sup>	Line 5 <sup>1</sup>	37(S) <sup>1</sup> 85(P) <sup>1</sup>
Adjusted Gross Income (AGI) <sup>2</sup>	Line 37 <sup>2</sup>	Line 21 <sup>2</sup>	Line 4 <sup>2</sup>	35(S) <sup>2</sup> 83(P) <sup>2</sup>
Earnings from Work <sup>3</sup>	Lines 7 + 12 + 18 + Schedule K-1, Box 14, Code A <sup>3</sup> Form W-2, Box 1 <sup>3</sup>	Line 7 <sup>3</sup> Form W-2, Box 1 <sup>3</sup>	Line 1 <sup>3</sup> Form W-2, Box 1 <sup>3</sup>	38-39(S) <sup>3</sup> 86-87(P) <sup>3</sup>
U.S. Income Tax Paid <sup>4</sup>	Line 55 <sup>4</sup>	Line 25 <sup>4</sup>	Line 11 <sup>4</sup>	30(S) <sup>4</sup> 84(P) <sup>4</sup>
Tax-Exempt Interest Income <sup>5</sup>	Line 8b <sup>5</sup>	Line 8b <sup>5</sup>	N/A <sup>5</sup>	44(S) <sup>5</sup> 92(P) <sup>5</sup>
IRA Distributions + (untaxed portions) <sup>6</sup>	Lines 15a minus 15b (excludes rollovers) <sup>6</sup>	Lines 11a minus 11b (excludes rollovers) <sup>6</sup>	N/A <sup>6</sup>	44a(S) <sup>6</sup> 92a(P) <sup>6</sup>
Pension and Annuity Distributions - (untaxed portions) <sup>7</sup>	Lines 16a minus 16b (excludes rollovers) <sup>7</sup>	Lines 12a minus 12b (excludes rollovers) <sup>7</sup>	N/A <sup>7</sup>	44f(S) <sup>7</sup> 92f(P) <sup>7</sup>
Tax-Deferred Payments to Pensions and Savings Plans - (IRA, SEP, SIMPLE, Keogh, and Other Qualified Plans) <sup>8</sup>	Lines 20 + 32 <sup>8</sup> Form W-2, Boxes 12a-d, Codes D, E, F, G, H, S <sup>8</sup>	Line 17 <sup>8</sup> Form W-2, Boxes + 12a-d, Codes D, E, F, G, H, S <sup>8</sup>	N/A <sup>8</sup>	44a, 44b(S) <sup>8</sup> 92a, 92b(P) <sup>8</sup>

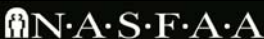
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**Where Can I Find It?**

Under Membership Tab, Professional Practice Tools, How-to Guides on the NASFAA Website

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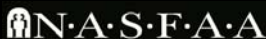


**NASFAA Monographs**



practical information for students and professionals.

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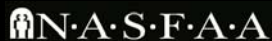
# Using NASFAA Tools to Ensure Title IV Compliance

## NASFAA Monographs

- Provide practical information for student financial aid professionals
- Developed primarily by practicing financial aid administrators and other NASFAA colleagues

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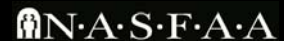


## NASFAA Monographs—Topics

1. Developing Lender Lists
2. Professional Judgment
3. Cost of Attendance
4. Common Data Set

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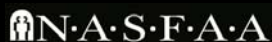


## NASFAA Monographs—Topics

5. Federal Budget Process
6. Satisfactory Academic Progress
7. Research Tools, Tips, and Resources

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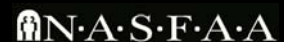


## NASFAA Monographs

Under Membership Tab, Publications on the NASFAA website

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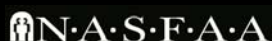


## NASFAA Tools Undergoing Update

- *NASFAA Guide to Adding New Academic Programs and Locations*
- *NASFAA Staffing Analysis Model*
- *NASFAA Salary Survey*

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# Using NASFAA Tools to Ensure Title IV Compliance

