Review of UDC’s “Provisional Approval” for Participation in the Federal Student Aid Programs

January 30, 2014
AGENDA

- UDC Federal Student Aid (FSA) at a glance
- What is “Provisional” Certification?
- Special Conditions of Provisional Certification
- Why Provisional Certification?
- Program Compliance of FSA programs
  - Consumer Disclosures
  - Academic Programs
  - Cash Management
  - Reporting & Audits – A–133
- What is UDC doing now?
- Questions
UDC Federal Student Aid (FSA) Programs at a Glance

- 75% of UDC STUDENTS RECEIVE FEDERAL AID
- Federal Aid is 71% of all UDC aid awarded
- Annually awards approx. $9.5 million in the Federal Pell Grant Program (22%)
- Annually awards approx. $900,000 in FSEOG and FWS (2%)
- Annually awards approx. $26 million in the Federal Direct Loan Program (47%)
What is “Provisional” Recertification

- Approves UDC for Federal student aid until next reapplication date: September 30, 2016
- Does not penalize UDC with fines, liabilities, reimbursement or other repercussions
- Requires University to Increase awareness, monitoring and demonstrate program compliance in all areas of Federal student aid rules and regulations
- Places additional “Special Conditions” as part of the Provisional Certification
Special Conditions of Provisional Recertification

- Non-Adverse A-133 Audit Submissions
- Federal Perkins Loan Default Rate Conditions
- Degree & Non-Degree Program Approvals
- ALL Provisions of FSA Regulations
- Program Compliance to Include:
  - Academic Programs
  - Consumer Disclosures
  - Cash Management
  - Reporting
Why Provisional Certification?

- Unresolved Audit Conditions
  - Repeat audit findings
  - More accountability & controls needed

- Increasing Federal Perkins Loan Default Rate

- USDE approval for additional degree programs prior to awarding Federal student aid

- Continued compliance with the standards of financial responsibility & administrative capability
Program Compliance of FSA Programs – Academic Programs

- Must have Accradiator and State Approval
- Must lead to recognized occupation (GE)
- Meet minimum weeks & credit hours (15/16)
- Must request USDE approval via EAPP/PPA
- Must be listed in current catalog & website
- USDE approval required prior to awarding Federal student aid
- Allow sufficient time to process approval request – Submit request in April for August
Program Compliance of FSA Programs – Consumer Disclosures

Must be Distributed & Not Just listed on Website:
- Textbook Information – ISBN & Price each semester
- Gainful Employment Reporting
- Drug and Alcohol Abuse Prevention
- FERPA Notification
- Voter Registration
- Copyright Infringement
- The Clery Act
- Drug-Free Schools & Communities Act
- Financial Aid Notices for SAP, R2T4, etc.
Program Compliance of FSA Programs – Cash Management

- Serve as fiduciary & trustee of Title IV funds
- Have adequate systems of internal controls and review controls periodically
- Maintain financial records that reflect all Title IV program transactions
- Have internal/external monthly reconciliations
- Transactions must match & close-out via the COD/G5/FISAP systems
Program Compliance of FSA Programs – Reporting

REQUIRED ACCURATE AND TIMELY SUBMISSION OF FEDERAL REPORTS:

- FISAP – due Oct. 1st Final Edits Dec. 15th
- IPEDS – due February 12th for financial aid component
- Federal Pell Closeout – due September 30th
- Direct Loan Closeout – due July 31st
- A–133 Audit submitted by June 30th
- Program Participation Recertification – Sept 30, 2016

ALL REPORTS SHOULD HAVE SECONDARY REVIEW
In accordance of the General Provisions regulations set forth in 34 C.F.R. Part 668:

- “The recitation of any portion of the statute or regulations in this Agreement does not limit the Institution’s obligation to comply with other applicable statues and regulations.”
What is UDC Doing Now?

- Liquidating Perkins Loan Program
- Revamped Default Mgmt/Prevention Plan
- Experienced & trained staff
- Decreased A-133 audit findings
- Positive relationship with the USDE
Heightened awareness of program compliance

Collaborative efforts with:
- USDE Minority Serving & Under Resourced Schools Div.
- Dedicated USDE Program Analyst to assist UDC
- Work with IT and system vendor to ensure compliance
- Assistance with UDC Internal Auditor & A-133 Compliance Committee

Ensuring program compliance by:
- Updating systems, policies and procedures
- Adding reviews and controls to all processes
- Training to all UDC departments
- Periodic review of controls & procedures