

## Chapter 10

# Quality Assurance

### Essential Questions

- ☞ What does quality assurance (QA) mean for my school?
- ☞ If my school is already involved in QA, what changes are necessary for Direct Loans?
- ☞ Is my school required to participate in QA?

### General Information

You may know something about the Department of Education's current Quality Assurance Program (QAP) and wonder how the Direct Loan Quality Assurance System fits in. Quality Assurance, a required component of the Direct Loan Program, is a proactive rather than a reactive management style and allows you to anticipate and solve problems before they become major.

Quality assurance is based on evaluation and improvement and can help you administer Direct Loans successfully.

- ☞ Schools use self-assessment instead of after-the-fact inspection to look at their procedures.
- ☞ Schools can take ongoing action to strengthen vulnerable areas.

Schools can identify and correct problems before they are discovered as institutional liabilities in audits and program reviews by using

- ☞ strategic planning
- ☞ employee involvement
- ☞ structured problem solving
- ☞ performance measures
- ☞ corrective action

ED provides tools to assist institutions in conducting qualitative quality assurance activities for Direct Loans in the *Direct Loan Quality Assurance Planning Guide (QA*

*Planning Guide*) and by providing quantitative *Measurement Tools* as a module in the *EDEExpress software*. These tools were developed to ease implementation for institutions that are new to quality assurance. The *QA Planning Guide* serves as an *optional* technical assistance document for a Direct Loan QA system and contains a five-step quality assurance model and quality assurance worksheets.

- ☞ Step One: “Setting the Direction” -- planning and overall strategy that will result in continuous school improvement
- ☞ Step Two: “Involving Staff” -- establishing the appropriate team to conduct the review
- ☞ Step Three: “Assessing Operations” -- beginning the problem-solving process
- ☞ Step Four: “Taking Action” -- addressing problem areas
- ☞ Step Five: “Reviewing Progress” -- evaluating results of previous steps

These steps are progressive and interrelated. Each focuses on assuring effective stewardship of the Direct Loan Program and on providing students with excellent service. This approach is described in detail in the *The Direct Loan Quality Assurance Planning Guide*.

Institutions can meet the QA requirement in the Direct Loan Program by conducting any one of the following options:

- ☞ Completing the Direct Loan Management Assessment contained in the *QA Planning Guide* and implementing corrective actions;
- ☞ Completing the Title IV Wide Management Assessment contained in the *QA Planning Guide* and implementing corrective actions;
- ☞ Running the Measurement Tools contained in the *EDEExpress software* and assessing the results in order to implement corrective actions;
- ☞ Utilizing the NASFAA Self-Assessment Guide; or
- ☞ Utilizing any comparable quality assurance methodology or analysis.

Note: Institutions participating in ED's Quality Assurance Program (QAP) and the Direct Loan Program are not required to complete the Direct Loan Management Assessment or adopt any additional self-assessment. These institutions will complete the Title IV Management Assessment worksheets prescribed by ED's QAP.

## **Management Worksheets**

The Management Assessment Worksheets tools provided in the *Direct Loan Quality Assurance Planning Guide* assist financial aid administrators to review administrative procedures against federal requirements, identify strengths and weaknesses of office operations, and begin to remedy areas of institutional vulnerability.

Institutions may, but are not required to, use either of the worksheets. Other assessment documents or tools such as the Measurement Tools provided in EDEXpress, NASFAA's Self-Assessment Guide, or a comparable quality assurance methodology or analysis may be used.

- ☞ The "Management Assessment (MA) Worksheet," available in paper and on diskette, assesses financial aid operations. The worksheet helps schools evaluate practices that will affect the Direct Loan Program so schools can improve vulnerable areas.
- ☞ The MA Worksheet uses a series of questions in five categories to address Direct Loan Program administration. The five categories are
  - institutional participation
  - fiscal management
  - recipient eligibility
  - award calculation
  - reporting and reconciliation
- ☞ Schools do not have to address all administrative areas in the MA Worksheet but can focus on the most problematic.
- ☞ Schools are not required to submit completed MA Worksheets to the Department.
- ☞ Schools may use an expanded version of the MA Worksheet to perform full-scale self-assessments of the Title IV programs.

Note: Schools participating in ED's Quality Assurance Program (QAP) and the Direct Loan Program will complete the Title IV Management Assessment worksheets prescribed by ED's QAP.

☞ Schools may use the "Management Action Plan Worksheet," also available in paper or diskette, for areas needing improvement. Schools will identify

- actions to be taken
- resources and personnel needed
- timeframes to implement changes

NOTE: You are not required to use the Management Action Plan Worksheet; you may develop your own tools to take action on problems areas. Consider discussing your approach with other Direct Loan schools or with QAP schools to obtain additional perspectives on how to proceed.

## **Progress Reports**

There is no reporting requirement to ED on quality assurance activities. Institutions are required to maintain documentation regarding quality assurance system activities in a QA Master File at the institution.

Institutions participating in ED's Quality Assurance Program and the Direct Loan Program will complete a Title IV Wide Management Assessment Worksheet (MA 3a, or 3b & 3c) and will report results using routine QAP reporting procedures.