Federal Student Aid Glossary and Acronyms

Appendix A

The acronyms most commonly found in the Handbook and other student aid literature have been added to the glossary entries.

NEW

25% Threshold The point at which a change in ownership interests must be reported to the Department: when an owner acquires a total interest of 25% or more or when an owner of 25% or more increases or reduces that interest at all.

90/10 Rule The requirement that a proprietary school must derive at least 10% of its revenues for each fiscal year from sources other than the FSA programs or be subject to sanctions.

150% Limit on (Direct Unsubsidized Loans) New borrowers on or after July 1, 2013, cannot receive Direct Subsidized Loans for a period of time (measured in academic years) that exceeds 150 percent of the published length of their program of study.

A

A-133 Office of Management and Budget Circular designated A-133

A-number (ARN) An identifying number assigned by DHS to identify and keep track of individuals who have been or are in contact with the immigration process. Used by ED to verify the immigration status of noncitizens applying for federal student aid.

AACRAO American Association of Collegiate Registrars and Admissions Officers

AAI Adjusted Available Income

ACA Administrative Cost Allowance

Academic Attendance and Attendance at an Academically-Related Activity The criteria schools must use to determine whether a student has ceased attendance. A school must perform a Return of Title IV Aid (R2T4) calculation for students who have withdrawn (or otherwise ceased attendance). Criteria include but are not limited to

- physically attending a class where there is an opportunity for direct interaction between the instructor and students;
- submitting an academic assignment;
- taking an exam, an interactive tutorial, or computer-assisted instruction;
- attending a study group that is assigned by the institution;
- participating in an online discussion about academic matters; and
- initiating contact with a faculty member to ask a question about the academic subject studied in the course.

Academic attendance and attendance at an academically-related activity do not include activities where a student may be present, but not academically engaged.

Academic Calendar The way in which a school structures its academic programs and measures progress over the program's length. For purposes of the FSA programs, there are three basic types of academic calendars: standard term, nonstandard term, and nonterm.

Academic Competitiveness Grant (ACG) *Program* A previously offered grant program authorized by the Higher Education Act (HEA) under which grants were awarded during the first and second academic years of study to eligible financially needy undergraduate students who successfully completed rigorous secondary school programs of study.

Academic Year For a program that measures program length in credit hours,

- a minimum of 30 weeks of instructional time; and
- 24 semester or trimester hours or 36 quarter credit hours.

For a program that measures program length in clock hours,

- a minimum of 26 weeks of instructional time; and
- 900 clock hours.

For purposes of defining an academic year,

- a week is a consecutive seven-day period;
- a week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs or, after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations occurs; and
- instructional time does not include any vacation periods, homework, or periods of orientation or counseling.

Acceleration Demand for immediate repayment of the entire outstanding balance of a loan.

Access Device A card, code, or other means of access to a financial account, or any combination thereof, that may be used by a student or parent to initiate electronic fund transfers.

Account A record in the general ledger that is used to collect and store similar information. For example, a school will have a cash account in which every transaction involving cash is recorded.

Accepted Master Promissory Note (MPN) Once a borrower completes an MPN, it is examined in the Common Originations and Disbursement (COD) system for completeness. If, during processing, COD finds that all of the required fields on an MPN have been completed correctly, COD will accept the MPN. An accepted MPN is one of the criteria required for a loan to be booked.

Accounting Data Journals, ledgers, and other records, such as spreadsheets, that support financial statements. It may be in computer-readable form or on paper.

Accounting Records Records of initial accounting entries and supporting records, such as checks and records of electronic fund transfers; invoices; contracts; general and subsidiary ledgers; journal entries and other adjustments to the financial statements that are not reflected in journal entries; and records, such as work sheets and spreadsheets, supporting cost allocations, computations, reconciliations, and disclosures.

Accounting Standards Codification (ASC) The Codification, prepared by the Financial Accounting Standards Board (FASB), reorganizes the thousands of U.S. *Generally Accepted Accounting Principles* (GAAP) pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. It also includes relevant U.S. Securities and Exchange Commission (SEC) guidance that follows the same topical structure in separate sections in the Codification.

Accounts Receivable Debts due from customers from sales of products and services reported as a current asset.

Accredited The status of public recognition that a national accrediting agency recognized by the Department grants to an institution or educational program that meets the agency's established requirements.

Accrual Basis of Accounting The accounting method under which revenues are recognized on the income statement when they are earned (rather than when the cash is received).

ACH Automated Clearinghouse

ACN Audit Control Number

Act The Higher Education Act (HEA) of 1965, as amended, 20 U.S.C. 1071 et seq.

Actual Disbursement Record A disbursement record submitted to the Common Origination and Disbursement (COD) system indicating that the school has disbursed funds to the student or plans to within the next seven days.

Actual Interest Rate The annual interest rate charged on a loan, which may be equal to or less than the applicable interest rate on that loan.

ADB Average Daily Balance

Adjusted Gross Income (AGI) An individual's adjusted gross income as reported to the Internal Revenue Service (IRS). The rules for calculating AGI are set by the IRS, not the Department.

Adjusting Entries Journal entries usually dated the last day of the accounting period to bring the balance sheet and income statement up to date on an accrual basis (as required by the matching principle and the revenue recognition principle).

ADL Anticipated Disbursement Listing

Administrative Capability The ability a school must demonstrate in providing the education it promises and properly managing the FSA programs. The standards of administrative capability are set forth in 34 CFR 668.16.

Administrative Cost Allowance (ACA) Funds an institution participating in the Federal Pell Grant, Federal Perkins Loan, Federal Work Study (FWS), or Federal Supplemental Educational Opportunity Grant (FSEOG) programs is entitled to receive for an award year if it advances funds under the Federal Perkins Loan Program, provides FWS employment, awards grants under the FSEOG Program, or disburses Federal Pell Grants to students in that year.

Administrative Forbearance In certain circumstances, the Department grants forbearance without requiring documentation from the borrower. For more detail of the conditions under which a borrower must be granted administrative forbearance see 34 CFR 685.205(b).

Administrative Offset Funds withheld from a participating school to collect program review, audit, and formal fine debts. The Department withholds a portion of a school's G5 (Grant Payment System) authorized payments and applies them toward the school's debt.

Administrative (Non Judicial) *Wage Garnishment* Process by which a guarantor or the Department, under Section 488A of the HEA, may intercept a portion of the wages of a FSA borrower who is not making required repayments or, in the case of an FFEL loan, a loan for which a guarantee agency has been reimbursed by the Department.

Administrative Relief *See Extended Processing.*

ADR Actual Disbursement Roster

Advance Payment Method A school operating under this payment method is permitted to request funds in the school's *available balance.* The school needs to make disbursements within three days of receipt of the funds.

Adverse Credit History For federal student aid purposes, a financial history that negatively impacts eligibility for a federal education loan. A parent, graduate student, or professional student who has an adverse credit history (as defined in the Direct Loan Program regulations) is not eligible to receive a Direct PLUS Loan unless he or she (1) documents to the satisfaction of the Department that there are extenuating circumstances, or (2) obtains an endorser for the loan who does not have an adverse credit history. PLUS loan borrowers with an adverse credit history are required to complete entrance counseling.

Adverse Opinion Auditor's opinion that financial statements do not fairly present the financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

Affirmative Confirmation A process under which a school obtains written confirmation of the types and amounts of FSA program funds that a student wants for an award year before the school credits the student's account with those loan funds.

Agent An officer or employee of a covered institution or an institution-affiliated organization.

Aggregate Basis One of the ways a school can match its federal allocation in the FSEOG Program. In this approach a school ensures that the sum of all funds awarded to all FSEOG recipients in a given award year consists of 75% federal dollars and 25% qualified nonfederal funds. Note that each of a school's FSEOG recipients must receive some FSEOG federal funds.

Aggregate Loan Limit The statutory maximum amount of principal an individual may borrow for all loans of a specific type, for all years of postsecondary study.

AGI Adjusted Gross Income

Aging of Drawdown The process of tracking the time elapsed from the date funds were drawn down to the date a school fully substantiates the drawdown by submitting actual disbursement records.

Agreement to Serve An agreement under which the individual receiving a TEACH Grant commits to meeting his or her service obligation, and to complying with notification and other provisions of his or her agreement.

AI Available Income

AICPA American Institute of Certified Public Accountants

Allocation Funds awarded to a school for use during a specific period of time. Campus-based funds (Federal Supplemental Educational Opportunity Grant [FSEOG], Federal Work-Study [FWS], and Federal Perkins Loan) are allocated to a school on an award-year basis. Sometimes referred to as obligation, award, or authorization.

Allowable Costs See *Cost of Attendance*.

Allowance for Doubtful Accounts A contra asset account with a credit balance used to reduce the carrying amount of accounts receivable to net realizable value. The allowance balance is the estimated total of uncollectable accounts included in accounts receivable.

American Institute of Certified Public Accountants (AICPA) The national organization of certified public accountants.

Amount of Title IV Aid Earned by a Student For Return of Title IV Funds purposes, the percentage of the payment period or period of enrollment, as applicable, completed by the student multiplied by the total Title IV aid disbursed plus the total Title IV Aid that could have been disbursed to the student.

ANN Dear Colleague Letter designation for training announcements

Annual Award (in the Federal Pell Grant Program) The amount a student would receive under the applicable Payment Disbursement Schedule for a given level of enrollment (full time, half time etc.), Estimated Family Contribution (EFC), and COA.

Annual Award (in the TEACH Grant Program) The maximum TEACH Grant amount a student would receive for enrolling as a full-time, three-quarter-time, half-time, or less-than-half-time student and remaining in that enrollment status for a year.

Annual FSA Compliance Audit The audit that a third-party servicer must submit each year. If the servicer contracts with several schools, a single audit can be submitted that covers its administrative services for all those schools.

Annual Loan Limit The statutory maximum a student may borrow at his grade level for one academic year. It varies by grade level, dependency status of borrower, etc.

Annual Percentage Rate (APR) The yearly cost of borrowing money reflected as a percentage rate.

Annual Security Report A report that participating schools are required to compile and file annually with the Department that summarizes the schools compliance with the requirements of 34 CFR 668.46.

Anticipated Disbursement Record A disbursement record submitted to the COD system indicating the amount and dates of funds the school plans to disburse.

APA Asset Protection Allowance

Applicable Interest Rate The maximum annual interest rate that a lender may charge under the Act on a loan.

Application Receipt Date Field on a SAR/ISIR showing the date a paper application was received by the FAFSA processor or the date an electronic FAFSA transmission was received by the CPS.

Apportionment A distribution of amounts available for obligation into amounts available for specified time periods, programs, activities, projects, objects, or combinations thereof. The apportioned amount limits the obligations that may be incurred.

Appropriation A form of budget authority provided by law that permits federal agencies to make payments out of the Treasury for specified purposes.

Approved Leave of Absence (LOA) For Return of Title IV Funds purposes, a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance.

APR Annual Percentage Rate

ARN Alien Registration Number (also known as A-number)

ASB Auditing Standards Board

Assets Tangible or intangible items which have probable economic benefits that can be obtained or controlled.

Assets (on the Free Application for Federal Student Aid [FAFSA]) Cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, qualified education benefits, and the net value of real estate, income producing property, and business and farm assets. For a detailed explanation see the Higher Education Act, as amended, Part F, Section 480(f).

Assignment The transfer of all rights, authorities, and privileges associated with a Perkins loan from a school to the Department. Schools may assign defaulted loans and, if a school is liquidating and withdrawing from the Perkins Loan Program or if the school is closing, non-defaulted loans to the Department at any time during the program year.

Associate Degree School of Nursing A school that provides primarily or exclusively a two-year program of postsecondary education in professional nursing leading to a degree equivalent to an associate degree in the United States.

ATB Ability to Benefit

Athletically Related Student Aid Any scholarship, grant, or other form of financial assistance, the terms of which require the recipient to participate in a program of intercollegiate athletics at the institution. Other student aid, of which a student-athlete simply happens to be the recipient, is not athletically related student aid.

ATS Agreement to Serve

Attribution The process of assigning benefits or costs to time periods, programs, activities, projects, objects, or combinations thereof.

Audit Accountability and Resolution Tracking System The Department's tool used to track, monitor and report day-to-day on the post-audit status of single audits, GAO audits, OIG-issued internal audits, external audits and alternative products (reports or memoranda issued by OIG that are not audit reports but raise issues that may need to be addressed by management).

Audit Guide of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers Published by the Department's Office of the Inspector General (OIG), it assists independent auditors (IPAs) in performing audits of Federal Student Aid.

Audit Plan A description and schedule of audits to be performed in a certain period of time (ordinarily a year). It includes the areas to be audited, the type of work planned, the high-level objectives and scope of the work, and includes other items such as budget, resource allocation, schedule dates, and type of report issued.

Audit Trail or *Transaction Trail* Chains of evidence provided through coding, cross references, and documentation connecting accounting balances and other summary results with original transactions and calculations.

Auditing Standards Board (ASB) Board authorized by the AICPA to promulgate auditing and attest standards, quality control standards procedures, and implementation guidance for AICPA members performing such services.

Auditor Independence Statement A statement regarding the requirement that an auditor be independent of the entity examined. Intended to remind financial statement users about the auditor's obligations related to independence and to serve as a reminder to auditors of these obligations.

Authorization Amount of FSA funds a school is currently eligible for in the year and program in question. The authorization is also called the Current Funding Level (CFL). Please note that in Direct Loan and TEACH Grant programs, you might also hear the authorization referred to as the Cash Control Amount (CCA).

Automated Clearing House (ACH) An electronic clearing system in which a data processing center handles payment orders that are exchanged among financial institutions, primarily through telecommunications networks. ACH systems process large volumes of individual payments electronically.

Automatic Zero EFC The result when an independent student or a dependent student's parents have income below a specific threshold and meet one of a group of other criteria, such as not needing to file a Form 1040 U.S. tax return. The flag indicates that the student met the statutory criteria for the automatic zero EFC calculation. See Simplified EFC Formulas.

Available Balance Amount of cash available for a school to draw down through G5. The available balance is the difference between the authorized amount and the school's net drawdowns to date.

Available Income (Parents') In general, parents' available income is determined by deducting from total income (as defined in HEA, section 480).

- federal income taxes;
- an allowance for state and other taxes;
- an allowance for social security taxes;
- an income protection allowance;
- an employment expense allowance; and
- the amount of any tax credit taken by the parents under section 25A of the Internal Revenue.

AVG Application and Verification Guide

AVR Automated Voice Response

Award Periods The length of time in G5 during which schools can perform certain cash management functions. There are four award periods

1. performance period,
2. liquidation period,
3. suspension period, and
4. closeout period.

Award Year The period beginning July 1 and ending June 30 of the following year.

AY Academic Year (may refer to Award Year in some contexts)

B

Base Year The calendar year preceding the first calendar year of an award year.

Batch A group of records submitted together. Batches can consist of one or more records. Users can submit data for students in a file called a batch. The batch contains a network header record, the Common Record with one or more students / awards / disbursements and the network trailer record. Periodic sweeps of a school's Student Aid Internet Gateway (SAIG) mailbox are performed to pick up these batches and send them to the COD System for processing.

BBAY Borrower-Based Academic Year

Begin or End Date The month and year on which a grant award begins and ends. It is the funding period for the award, and includes any applicable amendments. Normally, the funding period is 12 months.

BIA Bureau of Indian Affairs

Bilingual Education An educational program in which two languages are used to provide content matter instruction.

BLS Bureau of Labor Statistics

Book Voucher A document that reflects funds available on a student's account that can be used to purchase books and other educationally related materials from either a school or unaffiliated bookstore.

Booked Direct Loan A loan that is a legal binding obligation between the borrower and the U.S. Department of Education. A loan is considered booked when the COD System has accepted the loan origination record (the award record has been linked to the MPN), the MPN, and the first actual disbursement record for that loan ID. Direct PLUS Loans also require an accepted credit decision on file in the COD System to be booked.

Booked TEACH Grant A TEACH Grant becomes booked when COD has accepted the TEACH Grant origination record, an ATS has linked to the grant, and an actual disbursement record has been accepted.

Borrower An individual to whom a Title IV education loan is made.

Borrower Based Academic Year (BBAY) An academic year standard that may be used to measure annual loan limit progression (i.e., when a borrower becomes eligible for their next annual loan limit). Unlike a Scheduled Academic Year (SAY), a BBAY follows an individual student's academic progress and does not begin and end at the same time each year.

Borrower's Rights and Responsibilities (BRR) *Statement* Required under the HEA, the BRR Statement provides additional information about the terms and conditions of the loans a borrower receives under the MPN for Federal Direct Loans.

Branch Campus A location of an institution that is geographically apart and independent of the main campus of the institution. The Department considers a location of an institution to be independent of the main campus if the location

- is permanent in nature;
- offers courses in educational programs leading to a degree, certificate, or other recognized educational credential;
- has its own faculty and administrative or supervisory organization; and
- has its own budgetary and hiring authority.

BRR Borrower's Rights and Responsibilities

Business Assets Property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights, and copyrights.

C

Campus Any building or property owned or controlled by an institution within the same reasonably contiguous geographic area and used by the institution in direct support of, or in a manner related to, the institution's educational purposes, including residence halls; and any building or property that is within or reasonably contiguous to the school's campus that is owned by the institution but controlled by another person, is frequently used by students, and supports institutional purposes (such as a food or other retail vendor).

Campus-Based Programs Federal student aid programs under which funds are provided to participating institutions for awards to eligible students. The Campus-Based Programs include: the Federal Perkins Loan Program, the Federal Work-Study (FWS) Program, and the Federal Supplemental Educational Opportunity Grant (FSEOG) Program.

Campus Security Records The records created and maintained by a school's law enforcement unit or whatever office or school official is designated to be responsible for referring potential violations of law to local police authorities. Such records are exempt from the privacy restrictions of FERPA. A school may disclose information from these "law enforcement unit records" to anyone—including parents or federal, state, or local law enforcement authorities—without the consent of the eligible student.

Cancellation In the Perkins Loan Program, the forgiveness of a portion of a loan debt for a borrower who meets certain regulatory criteria (usually service). In the Direct Loan Program, loan "cancellation" refers to the borrower's request to have all or a portion of a loan cancelled (i.e., when the borrower decides that he or she no longer wants or needs all or a portion of the loan). In the Direct Loan Program, cancellation of a loan debt in exchange for the borrower performing certain types of service is called "forgiveness," and cancellation of a loan due to death, total and permanent disability (TPD), school closure, etc. is called "discharge."

CAP Corrective Action Plan

Capitalized Interest (Capitalization) Unpaid interest that has been added to the principal balance of a loan.

Carry Forward/Carry Back A school may spend up to 10% of its current year's FWS or FSEOG allocation (initial and supplemental) in the following award year (carry forward). A school is also permitted to spend up to 10% of its current year's FWS or FSEOG allocation (initial and supplemental) for expenses incurred in the previous award year (carry back).

Cash Account The general ledger account that reports currency, coins, undeposited checks, and the checking accounts of a company.

Cash Basis for Accounting A system of accounting in which revenues are recorded when received in cash and expenses or expenditures are recorded when cash is disbursed.

Cash Management The rules and procedures a school must follow to request, maintain, disburse, and otherwise manage FSA funds. A school's responsibilities are described in Subpart K of 34 CFR 668.

Cash Management Regulations Those sections of 34 CFR (34 CFR Subpart K) that address the rules and procedures under which participating institutions request, maintain, disburse, and otherwise manage federal student aid program funds.

Cash On Hand (COH) The amount available in the federal funds account at the payee's financial institution. Cash on hand is calculated as the total funds received less the Federal share of disbursements made, plus refunds received. The balance does not include accruals, accounts payable, or funds belonging to the Department of Education (e.g., interest earned), See also excess cash.

CB Campus-Based

CBO Congressional Budget Office

CBT Computer-Based Training

CCA Cash Control Account

CCR Central Contractor Registration

CDR Cohort Default Rate

CDRG Cohort Default Rate Guide

Census Date The date on which a school takes a "snapshot" of its enrollment for reporting or record keeping purposes.

Central Processing System Student Aid Internet Gateway (CPS/SAIG) Vendor and system designed by the U.S. Department of Education for viewing or correcting SAR information, requesting or analyzing ISIR data, and calculating and managing the return of federal student aid program funds.

CEO Chief Executive Officer

Certified Public Accountant (CPA) A credential conferred by a state or similar governmental jurisdiction that authorized the holder to practice as a certified public accountant in that jurisdiction.

CFDA Catalog of Federal Domestic Assistance

CFL Current Funding Level

CFO Chief Fiscal/Financial Officer

CFR Code of Federal Regulations

Chart of Accounts A listing of the accounts available in the accounting system in which to record entries. The chart of accounts consists of balance sheet accounts (assets, liabilities, equity) and income statement accounts (revenues, expenses, gains, losses).

Child with a Disability A child or youth from ages 3 through 21, inclusive, who requires special education and related services because he or she has one or more disabilities as defined in section 602(3) of the Individuals with Disabilities Education Act.

Children of Iraq and Afghanistan Soldiers For purposes of awarding Title IV aid, children of Iraq and Afghanistan soldiers include the children of all who died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001. Students who fall in this category receive special consideration for Title IV aid.

CIP Classification of Instructional Programs

Circular A-133 A release of the Office of Management and Budget. Its full name is Audits of States, Local Governments, and Non-profit Organizations. The circular sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Available at www.whitehouse.gov/omb/circulars.

Citizenship Match Procedure that compares an applicant's Name, Date of Birth, and SSN in CPS to that in the records of the Social Security Administration (SSA and in special cases the DHS). The CPS will reject applications for insufficient or contradictory information. The result of the match with SSA or DHS is reported on the SAR and ISIR and includes a comment (text and code).

Clery/Campus Security Act The law that requires institutions to compile statistics for certain crimes that are reported to campus security authorities or local police agencies, including incidents of sexual assault, domestic violence, dating violence, and stalking. The full title is the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.

Clinical Training The portion of a graduate medical education program that counts as a clinical clerkship for purposes of medical licensure comprising core, required clinical rotation, and not required clinical rotation.

Clock Hour A period of time consisting of

- a 50- to 60-minute class, lecture, or recitation in a 60-minute period;
- a 50- to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or
- 60 minutes of preparation in a correspondence course.

Clock/Credit-Hour Conversion The calculation performed to establish whether certain programs offered in credit hours meet the standard for the minimum number of credit hours and can be considered eligible.

Closeout Period One of the award periods in G5. The closeout period immediately follows the suspension period. During closeout, the grant award is closed and any remaining cash is deobligated.

Closeout Process (in G5) The process of closing a suspended award. The closeout process includes the following periods: liquidation, suspension, and closeout.

Closeout Procedures The steps a school must take when its participation in the Title IV programs ends, either voluntarily or involuntarily.

Closing The process of preparing, entering, and posting closing entries.

Closing Entry A journal entry that balances revenue accounts and expense accounts. Closing entries will mean that the temporary accounts (income statement accounts and drawing account) will start the new accounting year with zero balances.

COA Cost of Attendance

COD Common Origination and Disbursement

Code of Federal Regulations (CFR) The codification of the rules published in the Federal Register by agencies of the federal government. Each volume of the CFR is updated once each calendar year and issued quarterly. The volume for Education, Title 34, is updated on July 1 of each year. Cited as "34 CFR."

COH Cash on Hand

Cohort (Loan) All of a school's current and former students who during a fiscal year enter repayment on any Direct Subsidized Loan, Direct Unsubsidized Loan, or Federal Stafford Loan they received to attend the school.

Cohort Default Rate (CDR) The number of students in a cohort who default on their loans during a fiscal year divided by the total number of students in the cohort, expressed as a percentage.

Cohort Default Rate Guide (CDRG) U.S. Department of Education publication designed to assist schools with their William D. Ford Federal Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program cohort default rate data. The guide is a reference tool in understanding cohort default rates and processes.

Collateral Real or personal property pledged as part or full security on a debt.

Collateralize To pledge property as security (collateral) for a debt.

Collection The activities and/or actions by lenders, guarantors, servicers, and collection agencies to obtain payment on unpaid loan principal and interest from a borrower after that borrower defaults on the loan.

Collection Agency A business organization that receives delinquent or defaulted loan accounts from lenders and attempts to collect on those accounts. A fee is charged for the service.

Collection Charges Costs incurred by a lender or its agents in collecting overdue payments. These charges may include, but are not limited to, attorney's fees, court costs, and telegrams. They may not include routine costs associated with preparing letters or notices or making telephone calls to the borrower.

Collegiate School of Nursing A school that provides primarily or exclusively a minimum of a two-year program of postsecondary education in professional nursing leading to a degree equivalent to a bachelor of arts, bachelor of science, or bachelor of nursing in the United States, or to a degree equivalent to a graduate degree in nursing in the United States, and including advanced training related to the program of education provided by the school.

Co-maker One of two individuals who jointly borrow a consolidation loan, each of whom are eligible and who are jointly and severally liable for repayment of the loan. The term co-maker also includes one of two parents who are joint borrowers as previously authorized in the Federal Direct PLUS Loan Program (PLUS Loan Program).

Comment Codes Codes on a SAR/ISIR drawing attention to specific issues on a student's application. Each code corresponds to specific comment text for the award year. The last line in the "FAA Information" section on a SAR/ISIR shows all the codes generated on the record. FAAs must review the comment codes without reading every comment to find those that may require action.

Common Origination and Disbursement (COD) *System* The system used to process records for the Pell Grant, TEACH Grant and Direct Loan programs.

Common Origination and Disbursement Technical Reference A document used as a guide by software vendors and schools to program their systems and process records through COD. It provides a COD system overview, a list of changes, processing information (e.g., business rules and edits), print specifications, and technical specifications. The appendices also contain additional reference information, such as conversion tables, report layouts, and Extensible Markup Language (XML) examples. Located at fsadownload.ed.gov/Technical References.

Common Record A file layout used by schools and the COD system to exchange Pell Grant, TEACH Grant, and Direct Loan data. The Common Record is a document formatted in XML.

Community Defender Organizations A defender organization established in accordance with section 3006A(g)(2)(B) of title 18, United States Code.

Community Service Work-Study Jobs Services that are identified by an institution of higher education through formal or informal consultation with local nonprofit, government, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs. In order to be considered community service, the job has to be in an area that is open, accessible, and used by the community at large. For a more detailed list of community services see 34 CFR 675.2.

Compensating Balance An offsetting balance. A requirement by some banks that a borrower maintain a minimum balance in a checking or savings account as a condition of a loan.

Compliance Conformity in fulfilling requirements under various statutes and regulations.

Composite Score The composite score standard combines different measures of the elements of financial health to yield a single measure of a school's overall financial health. This method allows financial strength in one area to make up for financial weakness in another area, and provides an equitable measure of the financial health of schools of different sizes. Included in the calculation are the following ratios: Primary Reserve, Equity, and Net Income.

Comprehensive Student Work-Learning-Service Program A student work-learning-service program that

- is an integral and stated part of the institution's educational philosophy and program;
- requires participation of all resident students for enrollment and graduation;
- includes learning objectives, evaluation, and a record of work performance as part of the student's college record;
- provides programmatic leadership by college personnel at levels comparable to traditional academic programs;
- recognizes the educational role of work-learning-service supervisors; and
- includes consequences for nonperformance or failure in the work-learning-service program similar to the consequences for failure in the regular academic program.

Comprehensive Transition and Postsecondary Program A degree, certificate, nondegree, or noncertificate program that

- is offered by a participating institution;
- is delivered to students physically attending the institution;
- is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, and independent living instruction at an institution of higher education in order to prepare for gainful employment;
- includes an advising and curriculum structure;
- requires students with intellectual disabilities to have at least one-half of their participation in the program, as determined by the institution, focus on academic components through courses or activities taken jointly with students without disabilities; and
- provides students with intellectual disabilities opportunities to participate in coursework and other activities with students without disabilities.

Computer Controls Internal controls performed by computer software as opposed to manual controls. Also means general and application controls over the computer processing of data.

Concurrent Deferment In the Perkins Program, automatic deferments schools must grant during periods of service for which schools also grant loan cancellation. Borrowers do not need to apply for these automatic deferments.

Conditional Acceptance Condition whereby a student is admitted to an academic program provisionally until the student can demonstrate ability to succeed in the program by either furnishing documentation (such as transcripts or test scores) or receiving acceptable grades in program coursework. Students admitted in this manner are regular students only if the school accepts them into an eligible degree or certificate program.

Conflicting Information A discrepancy in the information that a school has regarding a student that affects his or her eligibility for federal student aid. A school must resolve conflicting information about a student before that student can receive federal student aid.

Consolidated Financial Statements Financial statements that reflect the total economic entity (all entities with same management are presented together and all related party transactions are eliminated from the statements). For example, on a consolidated income statement a corporation that owns several individual schools would report the total of all of its schools' activities. A consolidated balance sheet would report the combined assets except for claims against schools within its group.

Consolidation The process of combining one or more loans into a single new loan.

Consortium A group of two or more eligible schools that interacts with the Department in the same manner as other schools, except that the business between the Department and the schools is channeled through a single point.

Consortium Agreement A written agreement between two or more eligible schools.

Consumer Information The information that a school must provide about financial aid and its campus, facilities, student athletes, and gainful employment programs as well as information to promote campus security and fire safety and prevent drug and alcohol abuse, as required under HEA Sec. 485(f) and 34 CFR 668.41–49.

Continuing Education Coursework usually intended for adult and non-traditional students in which a student receives instruction that supplements a his or her previous education. Student can only receive Title IV aid for continuing education classes and credits only when those courses and credits are applicable to a degree or certificate program.

Contra Account One of two or more accounts which partially or wholly offset another or other accounts; on financial statements, they may be either merged or appear together.

Contractual Agreement A written agreement between an eligible school and an ineligible school.

Control Documented activities, policies, and procedures that help an organization meet its objectives, attain its goals, and accomplish its mission.

Control Account A general ledger account containing the correct total amount without containing the details. For example, Accounts Receivable could be a control account in the general ledger. Each day the total of the day's credit and collections are posted to this account. However, the details involving students' accounts will be found in a subsidiary ledger.

Control Activities Control activities are actions supported by policies and procedures that help ensure management directives are carried out properly and in a timely manner. Control activities can be classified either as preventive or detective. Preventive controls (e.g., approvals) attempt to deter or prevent undesirable events. Detective controls (e.g., reconciliations) attempt to detect undesirable events.

Control Environment or *Internal Control Environment* The overall attitude, awareness, and actions of directors and management (i.e., "those charged with governance") regarding the internal control system and its importance to the entity. A positive control environment is the foundation for all internal control standards. It provides discipline and structure as well as the climate of the workplace, which influences the quality of internal control.

Control Objectives Goals or standards for reducing or eliminating potential risks to an organization's mission.

Control Systems The organizational structure, operational procedures, and administrative practices adopted by all levels of management to provide reasonable assurance that programs and administrative activities are effectively carried out.

COO Chief Operating Officer

Cooperative (aka Co-op) Education Program A program that integrates classroom learning and structured work experiences directly related to the goals and objectives of the student's larger educational program. Students earn credit for successfully completed paid or unpaid Cooperative Work Experiences (CWE).

A school must have a written policy that describes the formula (may be specified by the school's state or accreditation agency) for converting the work portion of a Cooperative Education Program to credits. If the result equals or exceeds a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work.

Coordinating Official A capable individual responsible for administering all the Title IV, HEA programs in which a school participates and for coordinating those programs with the institution's other federal and nonfederal programs of student financial assistance. An individual is "capable" if certified by the state in which the school is located and the state requires certification of financial aid administrators. Other factors in determining capability include, but are not limited to, the individual's successful completion of Title IV program training provided or approved by the Secretary and previous experience and documented success in administering the Title IV programs properly.

Correcting Entry A journal entry to correct an erroneous amount previously entered in the general ledger.

Correction Edit Codes (Pell Grant program only) If schools select to have their Pell Grant data corrected rather than rejected, the COD system automatically corrects the data and sends a response to the school that submitted the record indicating that a correction took place, the element corrected, the original value, and the corrected value. Edits that can be corrected, rather than rejected, are indicated with a C/R in the Volume II, Section 4—Edit codes in the COD Technical Reference.

Corrective Action Actions needed to address an issue of noncompliance.

Corrective Action Plan (CAP) Statement of the corrective actions related to noncompliance, to include a responsible official, milestones toward completion of the action, metrics which measure progress and remediation, and dates when these milestones will be addressed. CAPs are to be maintained by the organization, and the status is to be reported as directed.

Correspondence Course A course provided by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. Interaction between the instructor and student is limited, is not regular and substantive, and is primarily initiated by the student. Correspondence courses are typically self-paced. If a course is part correspondence and part residential training, the Department considers the course to be a correspondence course. Note: A correspondence course is not distance education.

Correspondence Student Limitation The requirement that less than 50% of a school's regular students be enrolled in correspondence courses for the school to be eligible to participate in the Title IV programs. This limitation may be waived for a school that offers a 2-year associate degree or 4-year baccalaureate degree program if it demonstrates to the Department that in that award year the students enrolled in correspondence courses receive no more than 5% of the total FSA program funds received by all of the school's students.

Cost The monetary value of resources used or sacrificed, or liabilities incurred to achieve an objective, such as to acquire or produce a product, or to perform an activity or service. Depending on the nature of the transaction, cost may be charged to operations immediately, i.e., recognized as an expense of the period, or to an asset account for recognition as an expense of subsequent periods.

Cost of Attendance (COA) The cost in dollars, of a period of enrollment (such as an academic year). The COA for a student is an estimate of that student's educational expenses for the period of enrollment. Defining a student's COA is the first step in establishing a student's financial need. It sets the limit on the total need-based federal student aid a student may receive and is one of the components of the Pell Grant calculation. For a detailed explanation of the components included in Cost of Attendance see the Higher Education Act, as amended, Part F, Section 472.

COTW Corrections on the Web

Coverdell Education Savings Account A type of tax-advantaged savings vehicle for college education.

Covered Institution Any institution of higher education, proprietary institution of higher education, postsecondary vocational institution, or institution outside the United States, that receives any federal funding or assistance.

CPA Certified Public Accountant

CPS Central Processing System

CPS/SAIG Central Processing System / Student Aid Internet Gateway

CPS/SAIG Technical Support Call center that responds to questions about the Central Processing System (CPS), the Student Aid Internet Gateway (SAIG), Web products such as FAA Access to CPS Online, and assistance with software products such as EDconnect and EDExpress. Phone: 800-330-5947, 8:00 a.m. to 8:00 p.m. (ET), Monday through Friday.

CR Credit

Credit Balance See Title IV Credit Balance.

Credit Bureau An agency that gathers and stores credit information on individuals, and provides reports of that information to organizations from whom the individuals are seeking to obtain credit. Borrowers whose federal education loans are in default are reported to credit bureaus.

Credit Check A check of a Direct PLUS Loan applicant's credit record performed by COD to determine whether the individual has an adverse credit history. A credit check is generated when: (1) the COD system receives a Direct PLUS Loan Award; (2) the Direct PLUS Loan applicant completes a Direct PLUS Loan request via StudentLoans.gov; or (3) the school (after obtaining the applicant's authorization) initiates a credit check on the web through COD.

Credit Hour Except as provided in 34 CFR 668.8(k) and (l), a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than

- one hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately 15 weeks for one semester or trimester hour of credit, or 10 to 12 weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or
- at least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.

Critical Audit Matters Those matters addressed during the audit that (1) involved the most difficult, subjective, or complex auditor judgments; (2) posed the most difficulty to the auditor in obtaining sufficient appropriate evidence; or (3) posed the most difficulty to the auditor in forming the opinion on the financial statements. Critical audit matters ordinarily are matters of such importance that they are included in the matters required to be (1) documented in the engagement completion document that summarizes the significant issues and findings from the audit; (2) reviewed by the engagement quality reviewer; (3) communicated to the audit committee; and (4) any combination of the three.

Critical Matter Standard in the Auditor Report Requires an auditor to communicate in the auditor's report (when the auditor expresses an unqualified opinion) critical audit matters that were addressed during the audit of the current period's financial statements. If the auditor determines that there are no critical audit matters, the auditor would state in the auditor's report that the auditor determined that there are no such matters to communicate.

Crossover Payment Period A payment period that spans two award years.

CS/JLD Job Location and Development within the Community Service Work-Study Program.

CSC Customer Service Center

CSID Common School Identifier

CSL Community Service Learning (Program)

CSR Customer Service Representative

CY Continuing Year

Current Funding Level (CFL) Total amount of cash available for a school to draw down at any point in time, and is a subset of the school ceiling amount (SCA). A school's current funding level may be adjusted based on the amount of substantiated cash. A change in CFL will directly impact the SCA. In G5, the CFL is call the *Authorization*.

Current Liabilities Amounts owed by an entity for which the financial statements are prepared, and which need to be paid within the fiscal year following the reporting date.

D

Data Match The check that the CPS makes against other databases such as NSLDS and those maintained by other federal agencies: the Department of Defense, the Department of Justice, the Social Security Administration, the Department of Veterans Affairs, the Department of Homeland Security, and the Selective Service System. Data matches help to determine students' eligibility for federal student aid.

Data Release Number (DRN) A four-digit unique student identifier that schools may use in combination with an applicant's identifying information to access the student's record if the school was not listed on the Free Application for Federal Student Aid (FAFSA).

Data Universal Numbering System (D-U-N-S) *Number* Identification code assigned to a school by Dun & Bradstreet. The D-U-N-S number represents a school as a unique financial entity.

DB Debit

DCIA Debt Collection and The Debt Collection Improvement Act of 1996

DCL Dear Colleague Letter

DCS Debt Collection Service (in ED) now Borrower Services and Collections

DD214 Department of Defense form 214. It is the form, received at separation, that certifies a veteran's service.

Dear Colleague Letter (DCL) An ad hoc publication by the Department of Education addressing significant policy, system, and training issues and intended for college financial aid administrators and other customers.

Death Master File A list of SSNs associated with people who have died, maintained by the Central Processing System (CPS).

Debarment of School Owners or Staff Suspension of one of the principals or employee of a school by a federal agency. Debarment prohibits that person from participating in any FSA program as long as the agency's procedures include due process protections that are equivalent to those provided by ED.

Debt Resolution Services Office (within Federal Student Aid's Default Division) to which schools refer students who have received an overpayment of Title IV funds for collection.

Default The failure to meet any obligation or term of a credit agreement, grant, or contract.

Default (Loan) A status that a loan is placed in if the borrower has failed to make a payment when due for the number of days allowed by the applicable regulations, or if the borrower violates other terms and conditions of the promissory note. Borrowers who default on federal education loans lose eligibility for further federal student aid, will have their default reported to national credit bureaus, and may have their wages garnished or tax refunds offset by the government.

Default Division Office within Federal Student Aid responsible for the management collecting defaulted loans and student overpayments.

Default Prevention and Management Plan A plan that new schools, those with a change of ownership control, and those whose status as a main or branch campus changes must implement. New schools are exempt in certain circumstances. Schools with a cohort default rate ≥ 30% must establish a default prevention task force that prepares a plan that

- identifies the factors causing the default rate to exceed the threshold;
- establishes measurable objectives and steps the school will take to improve the default rate; and
- specifies the actions the school will take to improve student loan repayment, including counseling students on repayment options.

Defense Of Infancy A legal defense whereby a borrower asserts that they were too young to enter into an agreement. A borrower may not use a defense of infancy as part of any attempt to refuse to repay Title IV loans. HEA Section 484A(b)(2).

Deferment (Loan) A period during which a borrower is entitled to have payments of principal and interest on federal education loans postponed if he or she meets the eligibility criteria for the deferment. Examples of reasons that entitle a borrower to deferment include enrollment in postsecondary education on at least a half time basis, unemployment, economic hardship, or qualifying active duty military service.

Degree or *Certificate Seeking Student* A student enrolled in a course of credit who is recognized by the institution as seeking a degree or certificate.

Dependency Override Action a financial aid administrator may take to change a student's status for federal student aid from dependent to independent (the reverse is not permitted). There must be unusual circumstances to warrant an override, and the FAA must document those circumstances in the student's file.

Dependent of the Student The student's dependent children and other persons (except the student's spouse) who live with and receive more than one-half of their support from the student and will continue to receive more than half of their support from the student during the award year.

Dependent Student Any student who does not qualify as an independent student (see Independent Student). A FAFSA for a dependent student must include parent information.

Dependents (of a student's parents) The student, other dependent children of the student's parents (whether or not they reside with the parents), including those children who are deemed to be dependent students when applying for aid under this title, and other persons who live with and receive more than one-half of their support from the parent and will continue to receive more than half of their support from the parent during the award year.

Depository Account An account at a depository institution described in 12 U.S.C. 461(b)(1)(A), or an account maintained by a foreign institution at a comparable depository institution that maintains Title IV, HEA program funds in a bank or investment account that is Federally insured or secured by collateral of value reasonably equivalent to the amount of those funds.

Designated Department Official An official of the Department of Education to whom the Department has delegated responsibilities indicated in this part.

Destination Point In the Electronic Data Exchange, the transmitter of FSA data (applications and/or corrections) through the FAA Access to CPS Online interface with EDExpress or through Third-Party software. The results of processing (ISIRs) as well as COD data and reports are transmitted to the destination point through the Student Aid Internet Gateway. This may be a postsecondary school servicing one or more schools or a service agent servicing multiple schools.

Destination Point Administrator (DPA) The school employee responsible for ensuring secure access to the SAIG (a communication system between the school and ED systems). The DPA is responsible for assigning and providing access via SAIG for other employees of the school.

Deviation Departure from prescribed internal control procedures. Often expressed as a rate at which the departure occurs.

DHS Department of Homeland Security

DHS Match Flag Code on a SAR/ISIR indicating the results of a match with the Department of Homeland Security (DHS). An applicant's FAFSA is sent to DHS if the applicant indicates on the FAFSA that he or she is an eligible noncitizen.

DHS Secondary Confirmation Match Flag Code on a SAR/ISIR indicating the results from a secondary match with DHS for an applicant who failed primary confirmation of immigration status.

Diploma Mill An entity that:

- charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of education or training; and
- lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations. Note that merely lacking accreditation does not make a school a diploma mill.

Diploma School of Nursing A school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a two-year program of postsecondary education in professional nursing, leading to the equivalent of a diploma in the United States or to equivalent indicia that the program has been satisfactorily completed.

Direct Assessment Program An instructional program that, in lieu of credit hours or clock hours as a measure of student learning, utilizes direct assessment of student learning, or recognizes the direct assessment of student learning by others. The assessment must be consistent with the accreditation of the institution or program utilizing the results of the assessment.

Direct Consolidation Loan A Direct Loan created from the outstanding balances of other pre-existing federal education loans.

Direct Cost The cost of resources directly consumed by an activity. Direct costs are assigned to activities by direct tracing of units of resources consumed by individual activities.

Direct Disbursement (to a student or parent) Paying FSA funds directly to a student or parent by

- issuing a check or other instrument payable to and requiring the endorsement or certification of the student or parent (a check is issued if the school releases or mails the check to a student or parent, or notifies the student or parent that the check is available for immediate pickup); or
- initiating an EFT to a bank account designated by the student or parent, including transferring funds to stored-value cards and debit cards (see the discussion under Paying FSA Credit Balances later in this chapter); or
- providing cash to the student or parent, provided that the school obtains a signed receipt from the student or parent.

Direct Loan 30-Day Warning Report A listing of unbooked loans for which COD has not received the elements required for booking. The report also lists MPNs received by COD that do not have an accepted origination record. The report is sent to the school's SAIG mailbox on a monthly basis (if data for the given month exists for the report). The report is also available via the COD website (cod.ed.gov).

Direct Loan Counseling Report Lists students who have completed entrance counseling, financial awareness counseling, and exit counseling on the StudentLoans.gov website. This report is available at cod.ed.gov.

Direct Loan Delinquent Borrower Report Lists borrowers who are at least 31 days delinquent in their Direct Loan payments. The report gives the most recent contact information for the borrower and can be used in default reduction efforts by helping schools identify and contact borrowers. The Delinquent Borrower Report is available by subscription or on request from the Direct Loan Servicing Center. A report of borrowers delinquent in payment to loan servicers is available through the National Student Loan Data System (NSLDS).

Direct Loan Duplicate Student Borrower Report Lists student borrowers for which the COD system has multiple subsidized/unsubsidized awards with overlapping academic years within the same award year. Schools should monitor this report and contact other schools involved to verify that the student's academic and award years are correct in both COD and the schools' systems. Failure to monitor this report may cause records to reject in COD for going over the annual Stafford limits. This report is available at cod.ed.gov.

Direct Loan Exit Counseling Completion Report Lists students who have completed exit counseling on the StudentLoans.gov website, or students who completed counseling by another means whose information was uploaded by the school to NSLDS. Schools should monitor this report to assist with their default reduction efforts and insure compliance with exit counseling requirements. This report is available from the NSLDS Professional Access website, in detail and summary versions and online, both as a scheduled report or on demand. Note that although students complete entrance and exit counseling on Studentloans.gov, it is NSLDS that exit counseling reports to schools.

Direct Loan Expired MPN Report Lists MPNs that have expired (become inactive) within the last 30 days. This report is available via at cod.ed.gov and the schools SAIG mailbox.

Direct Loan Inactive Loans Report Lists all the loans a school has reduced to zero ($0) for the reporting period. This report is available at cod.ed.gov and the schools SAIG mailbox.

Direct Loan MPN Discharge Report Lists MPNs that have become inactive within the last 30 days due to discharges for death, unauthorized signature, or identity theft. This report is available at cod.ed.gov.

Direct Loan MPNs Due to Expire Report Lists MPNs that will expire (become inactive) within the next 60 days. This report is available at cod.ed.gov.

Direct Loan Pending Disbursement Listing Report Informs schools of loans with anticipated disbursement dates (Disbursement Release Indicator [DRI] set to false) on file at COD and the dates of those anticipated/pending disbursements. This report is available at cod.ed.gov.

Direct Loan Program Loan A loan made under the William D. Ford Federal Direct Loan Program.

Direct Loan Rebuild File A file that can used to rebuild a lost or corrupted Direct Loan Database, or recreate specific student records. School mays request this file at cod.ed.gov.

Direct Loan Repayment Plan Any of the repayment plans under which Direct Loan borrowers can repay their loans. Available repayment plans are the: Standard Repayment Plan, Graduated Repayment Plan, Extended Repayment, Plan Income-Based Repayment (IBR) Plan, Pay As You Earn Plan, and Income-Contingent Repayment (ICR) Plan. Parent Direct PLUS Loan borrowers may only choose from the Standard, Graduated, and Extended plans.

Direct Loan School Account Statement (SAS) A COD-generated statement, created monthly (comparable to a bank statement), that summarizes a school's processing activity for the month. The SAS provides the Department's official ending cash balance from records submitted by the school. A school will receive this report on a monthly basis until the Department has officially closed the school's activity for a program year. This report is available via the school's SAIG mailbox.

Direct Loan Tools A multi-year Windows-based application available at fsadownload.ed.gov that schools can use to

- compare the SAS to loans and actual disbursements recorded in the school's database or the DL Tools cash database;
- print the SAS in a readable format;
- track cash receipts and refunds of cash; and
- rebuild DL origination and disbursement records in EDExpress.

Direct PLUS Consolidation Loan The portion of a Direct Consolidation Loan attributable to Direct PLUS Loans, Direct PLUS Consolidation Loans, Federal PLUS Loans, and Parent Loans for Undergraduate Students that were repaid by a consolidation loan. The borrower is responsible for the interest that accrues during any period.

Direct PLUS Loan A loan made under the Federal Direct PLUS Program.

Direct Subsidized Consolidation Loan The portion of a Direct Consolidation Loan attributable to certain subsidized Title IV education loans that were repaid by a consolidation loan. Interest is not charged to the borrower during deferment periods or for a borrower whose consolidation application was received before July 1, 2006, during in-school and grace periods.

Direct Subsidized Loan A loan made under the Federal Direct Stafford/Ford Loan Program.

Direct Unsubsidized Consolidation Loan The portion of a Direct Consolidation Loan attributable to unsubsidized Title IV education loans, certain subsidized title IV education loans, and certain other federal education loans that were repaid by a consolidation loan. The borrower is responsible for the interest that accrues during any period.

Direct Unsubsidized Loan A loan made under the Federal Direct Unsubsidized Stafford/Ford Loan Program.

Disaster-Affected Student In FWS, A student enrolled at an institution who (1) received an FWS award for the award period during which a major disaster occurred; (2) earned FWS wages from an institution for that award period; (3) was prevented from fulfilling his or her FWS obligation for all or part of the FWS award period because of the major disaster; and (4) was unable to be reassigned to another FWS job.

Disbursement The crediting of a student's account or paying a student or parent directly with

- FSA funds received from the Department; or
- school funds labeled as FSA funds in advance of receiving actual FSA funds.

Disbursement Record An electronic record sent from a school to COD notifying the Department when a Pell, TEACH Grant or Direct Loan disbursement will be or has been made to a student.

Disbursement Release Indicator (DRI) A "tag" on the Common Record that designates a record as an Actual Disbursement Record. It signals the COD System to post the amount of disbursement to an award (loan/grant).

Discharge (Loan) Cancellation of the balance due on a federal education loan. Reasons for discharge of a loan include the borrower's death (or the death of the student on whose behalf a parent obtained a Direct PLUS Loan), the borrower's total and permanent disability (as defined in the Department's regulations), school closure, and certain other conditions as specified in the Department's regulations.

Disclosure Statement See Loan Disclosure Statement.

Disclosures Information that postsecondary institutions must make available to students and the public generally, such as information about their academic programs, costs, withdrawal procedures, refunds, accreditation, athletic programs, crime and safety, etc.

Discount The difference between the estimated worth of a future benefit and its present value; a compensation for waiting or an allowance for returns from using the present value of these returns in other ways.

Discretionary Program Program for which outlays are controlled by annual appropriation acts. Annual appropriation acts are required to fund the continuing operation of all federal programs that are not "mandatory" (compare to *Entitlement Programs*).

Disposable Income That part of an individual's compensation from an employer and other income from any source, including spousal income, that remains after the deduction of any amounts required by law to be withheld, or any child support or alimony payments that are made under a court order or legally enforceable written agreement. Amounts required by law to be withheld include, but are not limited to, federal, state, and local taxes, Social Security contributions, and wage garnishment payments.

Distance Education Training that uses one or more of the technologies below to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. The technologies may include

- the internet;
- one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;
- audio conferencing; or
- video cassettes, dvds, and cd-roms, if the cassettes, DVDS, or CD-Roms are used in a course in conjunction with any of several other technologies.

DL Direct Loan

DLC Direct Loan Consolidation

DMRS Deposit Message Retrieval System (Treasury Department)

DOB Date of Birth

Documentation A written explanation that describes a topic so that an independent third party can understand it. Documentation includes explanations of program mission and functions, component control techniques, summary of the steps taken in conducting an internal control review, and the operation of a financial system.

DOD Department of Defense

DoD Match The result on a SAR/ISIR from the match with the Department of Defense (DoD) to determine if the applicant's parent was a member of the armed forces who died as a result of service in Iraq or Afghanistan after September 11, 2001.

DOJ Department of Justice

DPA Destination Point Administrator

Draft Cohort Default Rate The rate the Department issues for review before issuing an official cohort default rate. A draft cohort default rate is used only for the purposes described in 34 CFR 668.185.

DRAP Default Reduction Assistance Program

Drawdown (also *Cash Receipt*) A school's request for and subsequent transmission of funds to the school via G5. A drawdown occurs when a school (or COD) initiates a request for funds through G5, and the funds are transmitted from the U.S. Department of the Treasury to the school's bank account.

Drawdown Adjustment An adjustment made in G5, where a drawdown is moved from one award year to another award year. This usually is done to correct an error (mistakenly requesting funds from the wrong award year, or to change the amount of the request before the funds are received by the school).

DRI Disbursement Release Indicator

DRN Data Release Number

DRT Data Retrieval Tool

Drug Abuse Hold A legal judgment that bars an applicant from receiving certain federal benefits, including Title IV aid, due to a federal or state conviction for drug possession or trafficking. The Central Processing System (CPS) maintains a file of individuals who have received a drug abuse hold, and all applicants are checked against this list.

Due Diligence (in the loan programs) The use of extensive persistent procedures for servicing and collecting student loans. Also the full and timely disclosure to student borrowers of their rights and obligations.

D-U-N-S Data Universal Numbering System (by Dun & Bradstreet)

Duplicate SSN Flag This flag on a SAR/ISIR is set to "Yes" if another record was found in the CPS database with the same SSN but a different last name.

E

E-App Electronic Application to Participate (in the Federal Student Aid Programs)

Early Disbursement A disbursement of federal student aid made to a student up to 10 days before the first day of classes for a payment period or period of enrollment, as applicable.

Early Intervention Services Those services defined in section 632(4) of the Individuals with Disabilities Education Act that are provided to infants and toddlers with disabilities.

Earned In cash accounting, an item is "earned" and reported as revenue when cash is received. Under accrual accounting an item has been "earned" and is reported as revenue when a service has been performed or product delivered, not when cash is received.

ECAR Eligibility and Certification Approval Report

eCB electronic Campus-Based system

eCDR Electronic Cohort Default Rate

eCFR Electronic Code of Federal Regulations

ED United States Department of Education

EDCAPS Education Central Automated Processing System

ED Pubs The website where customers can order hard copies of Department publications and download an electronic copy in Portable Document Format (PDF).

EDE Electronic Data Exchange

EDExpress A PC application that processes, packages, and manages FSA records. FSA provides EDExpress free of charge to postsecondary schools that participate in its Electronic Data Exchange (EDE) process.

EDGAR Education Department General Administrative Regulations

Edit Codes These codes communicate unique messages from the COD System when a school's reported student data is found to be in error or inconsistent with related data.

Edit Only Record In the COD process, a record sent with anticipated disbursement information for editing purposes only. Edit Only Records may originate an award, but are not intended to request or report funds. Schools using the Common Record submit a record with the Disbursement Release Indicator set to False.

EDP Electronic Data Processing

Education Central Automated Processing System (EDCAPS) Department of Education system that integrates the Department's financial processes, including financial management, contracts and purchasing, grants administration, and payment management. EDCAPS integrates four formerly separate system modules into a single system consisting of

- Financial Management Systems Software;
- Travel Management;
- Contracts and Purchasing Support System; and
- Grant Management System (G5).

Education Loan Except when used as part of the term "private education loan,"

- any loan made, insured, or guaranteed under the Federal Family Education Loan (FFEL) Program;
- any loan made under the William D. Ford Federal Direct Loan Program; or
- a private education loan.

Educational Program A legally authorized postsecondary program of organized instruction or study that leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential, or is a comprehensive transition and postsecondary program.

Educational Service Agency A regional public multi-service agency authorized by state law to develop, manage, and provide services or programs to local educational agencies as defined in section 9101 of the Elementary and Secondary Education Act of 1965, as amended.

EFA Estimated Financial Assistance

EFC Expected Family Contribution

Effective Internal Control Reasonable assurance that operational objectives are achieved, that published financial statements are reliably prepared, and that the entity complies with applicable laws and regulations.

EFT Electronic Funds Transfer (see also ACH/EFT)

EIC Earned Income Credit

EIN Employer Identification Number

Electronic Data Exchange (EDE) An electronic exchange system between the central processor and an institution under which

- a student is able to transmit his or her application information to the central processor through his or her institution and an ISIR is transmitted back to the institution;
- a student through his or her institution is able to transmit any changes in application information to the central processor; and
- an institution is able to receive an ISIR from the central processor for a student.

Electronic Data Request (in COD) A file sent by a school to the Common Origination and Disbursement (COD) system containing a request for information. A school can receive reconciliation files, multiple reporting records, year-to-date (YTD) data, electronic statements of account (ESOA) data, Potential Overaward Project (POP) reports, and/ or verification status reports.

Electronic Funds Transfer (EFT) (in general use) Generic term describing any transfer of funds between parties or depository institutions through electronic data systems

Electronic Funds Transfer (EFT) (in cash management) A transaction initiated electronically instructing the crediting or debiting of a financial account, or an institution's depository account. For purposes of transactions initiated by the Department, the term "EFT" includes all transactions covered by 31 CFR 208.2(f). For purposes of transactions initiated by or on behalf of an institution, the term "EFT" includes, from among the transactions covered by 31 CFR 208.2(f), only Automated Clearinghouse transactions..

Electronic Processes The connections that schools are required to make to various Department websites (e.g., the COD website) to be in compliance with administrative capability requirements.

Electronic Signatures in Global and National Commerce Act (E-Sign Act) Enacted on June 30, 2000, the E-Sign Act provides, in part, that a signature, contract or other record relating to a transaction may not be denied legal effect, validity or enforceability solely because it is in electronic form, or because an electronic signature or electronic record was used in its formation. Voluntary consent to participate in electronic transactions is required for all financial information provided or made available to student loan borrowers, and for all notices and authorizations to FSA recipients required under 34 CFR 668.165.

Electronic Statement of Account (ESOA) An official statement from ED that sets a school's authorization level for the upcoming award year and projects adjustments to the school's FSA program funding needs. It summarizes the status of a school's Current Funding Level (CFL) as it compares to the net drawdowns for the award year. An ESOA also details the amount expended to date. ESOAs are produced for the Federal Pell Grant Program. ED produces an ESOA whenever there is an adjustment to a school's current FSA program authorization.

Elementary School A nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under State law.

Eligibility Used (Pell) A percentage calculated by summing all of the accepted actual disbursement records for a student at the attended institution in a award year and dividing that amount by the Scheduled Federal Pell Grant Award at the attended institution.

Eligible Institution An institution that qualifies as

- an institution of higher education, as defined in 34 CFR 600.4;
- a proprietary institution of higher education, as defined in § 600.5; or
- a postsecondary vocational institution, as defined in § 600.6; and
- meets all the other applicable provisions of § 600.

Eligible Applicant A student in an approved course of study who has submitted a Free Application for Federal Student Aid (FAFSA) and meets the eligibility requirements for Title IV financial aid. The student must be currently enrolled or be a prospective student at a postsecondary school which is eligible to participate in the Title IV programs.

Eligible Career Pathway Program A program that—

1. concurrently enrolls participants in connected adult education and eligible postsecondary programs;
2. provides counseling and supportive services to identify and attain academic and career goals;
3. provides structured course sequences that
   - are articulated and contextualized; and
   - allow students to advance to higher levels of education and employment;
4. provides opportunities for acceleration to attain recognized postsecondary credentials, including degrees, industry relevant certifications, and certificates of completion of apprenticeship programs;
5. is organized to meet the needs of adults;
6. is aligned with the education and skill needs of the regional economy; and
7. has been developed and implemented in collaboration with partners in business, workforce development, and economic development. PL 113–235—Dec. 16, 2014. HEA 484D

Eligible Citizen (Categories) Individuals in these citizenship categories are potentially eligible to receive at least one type of Title IV aid. Categories of eligible citizenship include: U.S. citizens, U.S. nationals, citizens of the Freely Associated States, U.S. permanent residents, and certain eligible non-U.S. citizens. Not all types of eligible citizen are eligible to receive all types of Title IV aid. See also Freely Associated States, eligible noncitizen.

Eligible Noncitizen An immigration status that meets the requirements of 34 CFR 668.33(a)(2). That is, a student who is not a U.S. citizen, but is still potentially eligible to receive at least one type of Title IV aid. Types of eligible noncitizens include: lawful permanent residents, conditional resident aliens, refugees, persons granted asylum, persons paroled into the U.S. for at least one year, Cuban-Haitian entrants, conditional entrants, victims of human trafficking, battered immigrants-qualified aliens, students of the Freely Associated States, and Jay treaty students. Not all types of eligible noncitizen are eligible to receive all types of Title IV aid.

Eligible Postbaccalaureate Program A postbaccalaureate academic program in teacher certification that is Pell-Grant-eligible. A student may receive a Pell Grant for enrollment in such a program, if

- the program does not lead to a graduate degree;
- the school offering the program does not also offer a bachelor's degree in education;
- the student is pursuing an initial teacher certification or licensing credential within a state; and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Eligible Program An educational program that is provided by a participating institution and meets the requirements in 34 CFR 668.8(c) and (d) for participating in the FSA programs. For a detailed explanation of an Eligible Program see the Higher Education Act, as amended, Part F, Section 481(b).

Eligible Student A regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution, who meets the general and program requirements in 34 CFR 668.32 and 668.38, the citizenship requirements in 34 CFR 668.33, and satisfactory academic progress requirements in 34 CFR 668.34, who is not in default of a debt to the department under the HEA, and not in violation of the prohibitions of 34 CFR 668.40. Male students who are 18, or are above the age of 18, must be registered with the Selective Service to be eligible. For a detailed explanation of Student Eligibility see the Higher Education Act, as amended, Part F, Section 484.

Eligibility and Certification Approval Report (ECAR) A summary of an institution's eligibility/certification information (Title IV program participation, institution's accreditor, state authorization, staff, additional locations and eligible vocational programs).

Eligible Nonparticipating School A school that chooses to establish eligibility for the FSA programs but not to participate in them. Designation as an eligible institution qualifies a school or its students to take advantage of non-FSA programs or benefits, such as the American Opportunity and Lifetime Learning tax credits and qualifies its students for deferments of federal student loans.

Eligible Program An educational program that meets regulatory requirements for participating in Title IV programs.

Emancipated Minor a person who has not reached the age of majority but is released from control of his or her parent or guardian, as adjudicated by a court of competent jurisdiction in the state of the student's legal residence at the time of the adjudication.

Emergency Action Action taken by the Department to suspend a school's or third-party's participation in the Title IV programs if the Department:

- receives reliable information that the school or third-party servicer is in violation of applicable laws, regulations, special arrangements, agreements, or limitations entered into under the authority of statutes applicable to Title IV of the HEA;
- determines that immediate action is necessary to prevent the likelihood of substantial losses by the federal government, parent borrowers, or students; and
- determines that the likelihood of loss exceeds the importance of following the procedures for limitation, suspension, or termination.

Emergency Response and Evacuation Plan The procedures a school must develop for emergency response and evacuation and of which it must include a description in its annual security report to the campus community. A school must develop procedures to immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or employees occurring on the campus.

Employer Identification Number (EIN) Identifying number issued by the IRS to businesses for tax filing purposes. The EIN preceded by the letters "ED" is the password for accessing the Electronic Application (E-App) that schools use to apply for and update institutional FSA eligibility.

eMPN Electronic Master Promissory Note

Endorser An individual who agrees to repay a Direct PLUS Loan if the borrower does not repay the loan.

Endowed Fund Usually a permanently restricted asset for which the principal portion must be retained indefinitely. The earnings from an endowed fund could be unrestricted or temporarily restricted.

English Language Acquisition The process of acquiring English as a second language.

Enrolled The status of a student who has

- completed the registration requirements (except for the payment of tuition and fees) at the institution that he or she is attending; or
- been admitted into an educational program offered predominantly by correspondence and has submitted one lesson, completed by him or her after acceptance for enrollment, and without the help of a representative of the institution.

Enrollment Date The earliest date a student was enrolled in an eligible program for the designated award year.

Enrollment Reporting (in NSLDS) The process used by schools to report student enrollment data to the Department. Enrollment reporting can occur online in real time, or through file exchange using SAIG.

Enrollment Reporting Profile (in NSLDS) A webpage that displays information about the school for the enrollment reporting process. The page displays the set up for organizations that report or receive enrollment status information about students receiving federal student aid. The Profile includes file preferences, administrator relationships for school locations sharing the same OPEID, and the reporting schedule one year into the future and six months into the past.

Enrollment School Code The 8 digit code (Office of Postsecondary Education Identification Number {OPE ID}) for the physical location where the student is attending classes that is reported in the COD disbursement record to ensure a student is listed on the correct NSLDS Enrollment Roster.

Enrollment Status Full-time, three-quarter-time, half-time, or less-than-half-time, depending on a student's credit-hour work load per academic term, at an institution using semesters, trimesters, quarters, or other academic terms and measuring progress by credit hours. All levels are relative to full time. At an institution using clock hours, 24 hours a week is full time and 12 hours a week is half-time.

Entitlement Program A program in which the federal government becomes automatically obligated to provide benefits to members of a specific group who meet the requirements mandated by law. Programs for which outlays are not controlled by annual appropriation acts (compare to *Discretionary Program*).

Entity Identifier On the Common Record, the unique routing identifier for each data exchange partner (e.g., school, third-party servicer, vendor, etc.). When performing entity searches via COD website, the Entity ID is the school's COD identifier, Pell ID, Direct Loan ID or OPE ID.

Entrance Counseling Information about loan terms and conditions, along with debt management strategies, that first-time student borrowers are required to receive before they may receive their first Direct Loan disbursement. Entrance Counseling is available on StudentLoans.gov.

Equity Ratio A measure of a school's capital resources and its ability to borrow, used when calculating the composite score. The equity ratio is expressed as a fraction with the modified equity as the numerator and the modified expenses as the denominator.

Equivalent of an Associate Degree An associate degree, or the successful completion of at least a two-year program that is acceptable for full credit toward a bachelor's degree and qualifies a student for admission into the third year of a bachelor's degree program.

ESAR Electronic Student Aid Report

Escheat The reversion of funds to an unintended Third-Party, (e.g., when a FSA credit balance check to a student is not cashed, and the funds remain in the school's account or are transferred to the state's escheatment account). Schools must have a process to ensure that FSA program funds never escheat to the state or any other third party.

ESL Program English as a Second Language program. Students enrolled in a program consisting solely of ESL instruction are eligible for FSA funds only from the Pell Grant program.

ESI Experimental Sites Initiative authorized by Section 487A of the Higher Education Act.

E-SIGN Electronic Signatures in Global and National Commerce Act

ESL English as Second Language

ESOA Electronic Statement of Account

Estimated Financial Assistance (EFA) Funds that must be considered during the Title IV aid packaging process. EFA includes aid received from Title IV programs (exception: Iraq & Afghanistan Service Grant), as well all other as grants, scholarships, loans and need-based employment that can be anticipated at the time a school is packaging aid for a student. The student's packaged Title IV aid plus EFA may not exceed a student's need.

Excess Cash Any amount of federal student aid funds, other than Federal Perkins Loan Program funds, that an institution does not disburse to students or parents by the end of the third business day following the date the institution

- received those funds from the Department; or
- deposited or transferred to its federal account previously disbursed federal student aid program funds received from the Department, such as those resulting from award adjustments, recoveries, or cancellations.

Excess Liquid Capital (in Perkins) The amount by which the funds a school has available (cash on hand plus anticipated collections) to make Perkins loans in an award year significantly exceeds the loans a school anticipates making for that award year.

Exit Counseling Available on StudentLoans.gov, it provides information about loan terms and conditions, with emphasis on repayment requirements and debt management strategies, that each school participating in the federal education loan programs must ensure is provided to student borrowers. For Perkins Loan borrowers, the counseling must take place before the borrower leaves school, or as soon as possible after the school becomes aware that the borrower is no longer attending classes. For Direct Loan and FFEL student borrowers, the counseling must take place shortly before the borrower ceases to be enrolled at least half time, or as soon as possible after the school becomes aware that the borrower is no longer enrolled half time.

Expected Family Contribution (EFC) The amount a student and the student's family may be reasonably expected to contribute toward the student's postsecondary education for the academic year.

Expedited Determination Letter (EDL) Fast-track versions of the preliminary report and final determination letter to the institution regarding findings identified during a program review. Used only under conditions described in the procedures.

Expired Appropriations or *Accounts* Appropriation accounts in which the balances are no longer available for incurring new obligations because the time available for incurring such obligations has passed.

Extended Processing (Direct Loan) The Direct Loan Program provides relief from close-out processing deadlines for extenuating circumstances. An institution may request extended processing if it is unable to meet the processing deadline (also known as Closeout Deadline). The Department grants extended processing due to either an event such as a natural disaster, or a processing error.

Extended Processing (Pell Grant) The Federal Pell Grant Program provides relief from processing deadlines in extenuating circumstances. A school may request administrative relief when it is unable to meet the September 30th deadline for submitting records, due to either an event, such as a natural disaster, or a processing error.

eZAudit A web application designed by the U.S. Department of Education that provides schools with a paperless, single point of submission, for financial statements and compliance audits required by Title IV participants.

F

FAA Financial Aid Administrator

FAA Access to CPS Online A website that financial aid administrators use to enter application data, view ISIR information, and make corrections. It is located at fafsa.ed.gov/FOTWWebApp/faa/faa.jsp.

Faculty Member at a Tribal College or University An educator or tenured individual who is employed by a Tribal College or University, as that term is defined in section 316 of the HEA, to teach, research, or perform administrative functions. For purposes of this definition, an educator may be an instructor, lecturer, lab faculty, assistant professor, associate professor, full professor, dean, or academic department head.

FADL Final Audit Determination Letter

FAFSA See *Free Application for Federal Student Aid*

FAFSA on the Web SM (FOTW) The online version of the FAFSA and the website where it is accessed.

FAFSA Processor The data entry processor for a processing year under contract with the U.S. Department of Education. The FAFSA processor receives paper applications, paper SAR corrections, and paper signature pages in the mail, performs document analysis to ensure that the data is acceptable, and handles missing or unacceptable responses. The processor images the application, enters the information from the application, and transmits the data and image electronically to the CPS.

Failure to Register A condition wherein a male student knowingly and willingly failed to register for the Selective Service before his 26th birthday.

Fair Value The amount at which an asset or liability could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Family (for purposes of separation of functions) A parent, sibling, spouse, child, spouse's parent or sibling's, or child's spouse.

Family Contribution or Expected Family Contribution The amount which the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education for the academic year for which the determination is made. For a detailed explanation of the components included in Cost of Attendance see the Higher Education Act, as amended, Part F, Sections 473–477.

Family Educational Rights and Privacy Act (FERPA) The Act that sets limits on the disclosure of personally identifiable information from school records and defines the rights of the student to review the records and request a change to the records. FERPA generally gives postsecondary students the right to

- review their education records,
- seek to amend inaccurate information in their records, and
- provide consent for the disclosure of their records.

Family Size In the case of a dependent student, family size includes

- if the parents are not divorced or separated, family members include the student's parents, and the dependents of the student's parents including the student. (Unmarried parents living together are both considered part of the household, and both incomes must be reported.);
- if the parents are divorced or separated, family members include the parent whose income is included in computing available income and that parent's dependents, including the student; and
- if the parents are divorced and the parent whose income is so included is remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those individuals referred to in subparagraph (B), the new spouse and any dependents of the new spouse if that spouse's income is included in determining the parents' adjusted available income.

In the case of an independent student, family size includes

- the student, the student's spouse, and the dependents of the student; and
- if the student is divorced or separated, family members do not include the spouse (or ex-spouse), but do include the student and the student's dependents.

FAO Financial Aid Office (also, Officer)

FASB Financial Accounting Standards Board

FC Family Contribution

FCC Federal Capital Contribution (Perkins)

FDLP/DL The William D. Ford Federal Direct Student Loan Program

Federal Accounting Standards Advisory Board (FASAB) Group authorized by the accounting profession to establish generally accepted accounting principles (GAAP) applicable to federal government entities.

Federal Capital Contribution (FCC) In the Perkins Loan Program, federal funds allocated or reallocated to an institution in an award year for deposit into the institution's federal funds account under section 462 of the HEA.

Federal Direct Consolidation Loan Program One of the components of the Direct Loan Program. Loans made under this program are referred to as Direct Consolidation Loans and provide loans to borrowers who consolidate certain federal educational loans.

Federal Direct PLUS Program A component of the Federal Direct Loan Program. It provides loans to parents of dependent students attending schools that participate in the Direct Loan Program. The Federal Direct Graduate/Professional PLUS Program provides loans to graduate or professional students attending schools that participate in the Direct Loan Program. Direct PLUS borrowers are responsible for the interest that accrues during any period. Loans made under this program are referred to as Direct PLUS Loans.

Federal Direct Stafford/Ford Loan Program One of the components of the Direct Loan Program. It provides loans to undergraduate, graduate, and professional students attending schools that participate in the Direct Loan Program. The Department subsidizes the interest while the borrower is in an in-school, grace, or deferment period. Loans made under this program are referred to as Direct Subsidized Loans.

Federal Direct Unsubsidized Stafford/Ford Loan Program One of the components of the Direct Loan Program. It provides loans to undergraduate, graduate, and professional students attending schools that participate in the Direct Loan Program. The borrower is responsible for the interest that accrues during any period. Loans made under this program are referred to as Direct Unsubsidized Loans.

Federal Family Education Loan (FFEL) *Programs* This former loan program included the Federal Stafford Loan, Federal PLUS, Federal Supplemental Loans for Students (Federal SLS), and Federal Consolidation Loan programs. Lenders used their own funds to make loans to enable students or their parents to pay the costs of the students' attendance at eligible institutions.

Federal Interest in Title IV, HEA Program Funds Except for funds provided by the Department for administrative expenses, and for funds used for the Job Location and Development Program under subpart B of the FWS regulations, funds received by an institution under the title IV, HEA programs are held in trust for the intended beneficiaries or the Secretary. The institution, as a trustee of those funds, may not use or hypothecate (i.e., use as collateral) the funds for any other purpose or otherwise engage in any practice that risks the loss of those funds.

Federal Pell Grant Program A grant program authorized by the HEA under which grants are awarded to help financially needy students meet the cost of their postsecondary education.

Federal Perkins Loan Program The student loan program authorized by Title IV of the HEA. The Federal Perkins Loan Program includes loans made under the National Direct Student Loan Program and the National Defense Student Loan Program. This Campus-Based Program provides low-interest loans to financially needy students attending institutions of higher education to help them pay their educational costs.

Federal Public Defender Organization A defender organization established in accordance with section 3006A(g)(2)(A) of title 18, United States Code.

Federal Register The daily journal of the U.S. federal government. It contains notices, proposed and final regulations, and presidential documents. Regulations first appear in the register and, when final, are incorporated in the Code of Federal Regulations.

Federal Reserve Banks (FRB) A nationwide system for clearing and settling checks drawn on depository institutions located in all regions of the United States.

Federal Share The percentage of a school's annual expenditures in the Campus-Based Programs paid in an award year from a school's current authorization or from federal funds carried forward or back.

(The Office of) *Federal Student Aid* (FSA) The office within the U. S. Department of Education that manages the Federal Student Aid Programs.

Federal Student Aid (the programs) Programs authorized under Title IV of the Higher Education Act (as amended) that provide financial assistance to eligible students enrolled in postsecondary educational programs.

Federal Student Aid Assessments (FSA Assessments) web-based management assessment modules for helping schools assess their compliance with FSA program requirements and enhance services. Each assessment is self-guided and contains links to applicable laws and regulations. Available at ifap.ed.gov/ifap/.

Federal Student Aid Coach (FSA Coach) A comprehensive, introductory course on school requirements for administering the FSA programs. The 36 lessons can be completed individually, allowing you to tailor the training to your schools specific needs. A version for foreign schools, FSA COACH for Foreign Schools contains 23 lessons designed specifically for staff at non-U.S. schools who administer FFEL loans used by U.S. students at participating foreign schools. Available at www.ed.gov/FSA/training.

Federal Student Aid Handbook (The Handbook) Annual Department publication that explains the requirements for participation in the FSA programs.

Federal Student Aid Personal Identification Number for Students and Parents (PIN) The PIN and the user's personal information serve as an electronic signature when entered on the FAFSA on the WebSM site. The PIN also serves as an identifier to let students access their personal information in various U.S. Department of Education systems.

Federal Student Aid Information Center (FSAIC) Serves the public by providing information, in both English and Spanish, about the FSA programs and the application process. Customers include students, parents, and financial aid administrators seeking general information about federal grant and loan programs and specific assistance with the FAFSA. 800/4-FED-AID (800-433-3243); 319-337- 5665; TDD/TTY 800-730-8913 for the deaf or hearing impaired.

Federal Student Aid's Research and Customer Care Center (RCCC) A call center providing information about and assistance with Title IV policy, regulations, application processing questions, and contacting other federal student aid staff.

Federal Supplemental Educational Opportunity Grant (FSEOG) *Program* The Campus-Based Program that provides grants to eligible students who demonstrate exceptional financial need.

Federal Work-Study (FWS) *Program* A Campus-Based Title IV program that provides part-time employment to students attending institutions of higher education who need the earnings to help meet their costs of postsecondary education and encourages students receiving FWS assistance to participate in community service activities.

Fedwire The Federal Reserve Bank's nationwide real time gross settlement electronic funds and securities transfer network. Fedwire® is a credit transfer system. Each funds transfer is settled individually against an institution's reserve or clearing account on the books of the Federal Reserve. The transaction is considered an irrevocable payment when processed.

FERPA Family Education Rights and Privacy Act

Fiduciary (n.) An entity that holds assets in trust. A school holds federal student aid funds in trust for recipients, their parents in the case of Parent PLUS Loans and the federal government.

Fiduciary (adj.) Relating to the collection or receipt, management, protection, accounting, investment and disposition of cash or other assets in which federal student aid recipients, their parents in the case of Parent PLUS Loans and the federal government have an ownership interest.

Fiduciary Activity An activity that relates to the collection or receipt, management, protection, accounting, investment and disposition by a school of cash or other assets in which federal student aid recipients, their parents in the case of Parent PLUS Loans and the federal government have an ownership interest that the school must uphold.

Fiduciary Relationship A fiduciary relationship exists when a school recognizes, agrees to, or consents to undertake fiduciary activity. Participating institutions have a fiduciary responsibility to ensure federal student aid funds are used as intended.

Final Audit Determination The written notice of a determination issued by a designated department official based on an audit of

- an institution's participation in any or all of the Title IV, HEA programs; or
- a third-party servicer's administration of any aspect of an institution's participation in any or all of the Title IV, HEA programs.

Final Demand Letter A letter that a lender or servicer sends to a borrower demanding full payment of a delinquent account. A demand letter is required as part of the due diligence procedures for collecting a loan that is about to go into default or a loan made to an ineligible student.

Final Funding Authorization An electronic notification that tells a school the final allocations for each Campus-Based program in which it participates.

Final Funding Worksheet Document containing the data used by the Department to determine a school's allocation for each Campus-Based Program in which the school participates and how each final allocation was determined.

Final Program Review Determination (FPRD) The letter from the Department that follows an institution's response to the Program Review Report (PRR). The FPRD informs the institution of ED's final determination regarding each of the findings in the PRR and identifies liabilities, if any; provides instructions for payment of liabilities; notifies the institution of its right to appeal the existence of and amount of liabilities; and closes the program review if appropriate.

Financial Account (in cash management) A student's or parent's checking or savings account, prepaid card account, or other consumer asset account held directly or indirectly by a financial institution.

Financial Accounting Standards Board (FASB) Independent, private, non-government group which is authorized by the accounting profession to establish generally accepted accounting principles in the United States.

Financial Need The cost of attendance for a student, minus

- the expected family contribution for such student, and
- any estimated financial assistance not received under Title IV.

Financial Aid Administrator Access to CPS Online In EDExpress, FAA Access to CPS Online is available from the "View" menu and from the FAFSA and Student Inquiry tabs. FAAs can use the site to access saved applications, submit FAFSAs, make corrections, request Institutional Student Information Records (ISIRs), compare ISIRs, verify ISIR data, apply a student signature, and check the processing status of student records. compare ISIRs, verify ISIR data, apply a student signature, and check the processing status of student records.

Financial Aid Management System (FMS) This system is the general ledger for FSA. FMS works with G5 to communicate financial information and to deliver federal cash to schools.

Financial Aid Appeal A process through which a student appeals a negative finding on his or her Satisfactory Academic Progress (SAP) status. A student's right to appeals is granted at the option of the school. If the school agrees to consider the appeal, the school may place the student on financial aid probation in the interim. See *Satisfactory Academic Progress*.

Financial Aid Package The total student assistance —loans, grants, scholarships, and need-based employment—offered to a student.

Financial Aid Probation A status under which a student can remain Title IV-eligible after being found not to be making Satisfactory Academic Progress. A student placed on probation must either be on-track to meet Satisfactory Academic Progress (SAP) requirements by the end of the subsequent payment period (no academic plan required, based on the financial aid appeal), or, if the student will require more than one payment period to meet SAP requirements, the school must require the student to develop an academic plan to meet the SAP requirements. This status is available only when a school permits an appeal. The student's progress towards meeting the SAP requirements must be assessed after each payment period, and the student may retain Title IV eligibility as long as they are meeting the progress requirements of their academic plan.

Financial Aid Warning A temporary, one payment-period status which allows a student who failed to achieve Satisfactory Academic Progress (SAP) to continue receiving aid. Failing to achieve SAP after one payment period results in a loss of eligibility. Students may, at the option of the school, appeal their SAP status. This status may only be used by schools that check SAP at the end of each payment period.

Financial Institution (in cash management) A bank, savings association, credit union, or any other person or entity that directly or indirectly holds a financial account belonging to a student or parent that issues an access device associated with a financial account and agrees with a student or parent to provide EFT services.

Financial Need An eligible student's Cost of attendance minus Expected Family Contribution (EFC) minus estimated financial assistance not received under Title IV.

Financial Reporting The main financial statements (income statement, balance sheet, statement of cash flows, statement of retained earnings, statement of owner's equity) plus other financial information, such as annual reports, press releases, etc.

Financial Responsibility The obligation for a school to

- provide the services described in its official publications and statements;
- properly administer the FSA programs in which it participates; and
- meet all of its financial obligations.

The financial responsibility standards (34 CFR 668 Subpart L) can be divided into two categories: (1) general standards, which are the basic standards used to evaluate a school's financial health, and (2) performance and affiliation standards, which are standards used to evaluate a school's past performance and to evaluate individuals affiliated with the school.

Financial Statements The presentation of financial data, including accompanying notes derived from accounting records and intended to communicate an entity's economic resources or obligations at a point in time, or the changes therein for a period of time, in accordance with a comprehensive basis of accounting.

Financial Statements Opinion An opinion that the financial statements present fairly, in all material respects, the financial position of the company as of the balance sheet date and the results of its operations and its cash flows for the period then ended in conformity with the applicable financial reporting framework. The opinion also includes an identification of the applicable financial reporting framework.

Final Regulations Regulations that apply to the general public and have final legal effect.

Fire Any instance of open flame or other burning in a place not intended to contain the burning or in an uncontrolled manner.

Fire Drill A supervised practice of a mandatory evacuation of a building for a fire.

Firefighter A firefighter is an individual who is employed by a federal, state, or local fire fighting agency to extinguish destructive fires; or provide fire fighting related services such as

- providing community disaster support and, as a first responder, providing emergency medical services;
- conducting search and rescue; or
- providing hazardous materials mitigation.

Fire-Related Death Any instance in which a person is killed as a result of a fire, including death resulting from a natural or accidental cause while involved in fire control, attempting rescue, or escaping from the dangers of a fire; or dies within one year of injuries sustained as a result of the fire.

Fire-Related Injury Any instance in which a person is injured as a result of a fire, including an injury sustained from a natural or accidental cause, while involved in fire control, attempting rescue, or escaping from the dangers of the fire. The term "person" may include students, employees, visitors, firefighters, or any other individuals.

Fire Safety System Any mechanism or system related to the detection of a fire, the warning resulting from a fire, or the control of a fire. This may include sprinkler systems or other fire extinguishing systems, fire detection devices, stand-alone smoke alarms, devices that alert one to the presence of a fire, such as horns, bells, or strobe lights; smoke-control and reduction mechanisms; and fire doors and walls that reduce the spread of a fire.

First-Time Borrower (Direct Loan) In regard to the 150% rule. An individual who has no outstanding balance of principal or interest on a Direct Loan Program or FFEL Program loan on July 1, 2013, or on the date the borrower obtains a Direct Loan Program loan after July 1, 2013.

First-Time Undergraduate Student An entering undergraduate who has never attended any institution of higher education. It includes a student enrolled in the fall term who attended a postsecondary institution for the first time in the prior summer term, and a student who entered with advanced standing (college credit earned before graduation from high school).

FISAP Fiscal Operations Report and Application to Participate

FISAP Technical Reference A reference document that provides programmer specifications and record layouts for schools or other organizations needing to design customer software systems to interface with the U.S. Department of Education's FISAP on the Web process.

Fiscal Operations Report Parts III, IV, V, and VI of the FISAP on which schools report on their activities in the Campus-Based Programs. Sometimes referred to as the FISOP.

Fiscal Operations Report and Application to Participate (FISAP) Electronic application through which schools provide information on Campus-Based expenditures made during the award year just completed, and the apply for funds in the Campus-Based Programs in the upcoming award year.

Fiscal Records Financial records that reflect each federal student aid program transaction; and general ledger control accounts and related subsidiary accounts that identify each federal student aid program transaction, and separate those transactions from all other institutional financial activity, including the records specified in 34 CFR 668.24(c).

Fiscal Year An accounting year that ends on a date other than December 31. For example, a school district might have a fiscal year of July 1, 2011 through June 30, 2012.

Fixed Cost A cost that does not vary in the short term with the volume of activity.

Fixed Interest Rate An interest rate on a loan that remains the same for the entire term of the loan.

FMFIA Federal Managers' Financial Integrity Act of 1982

FMS Financial Management System

FOIA Freedom of Information Act

Forbearance A period during which a borrower may temporarily stop making loan payments, temporarily make smaller payments, or extend the time for making payments. A borrower who does not meet the eligibility requirements for a deferment may, at the discretion of the loan holder, receive a forbearance if the borrower does not meet the eligibility requirements for a deferment but is temporarily unable to make loan payments for reasons including, but not limited to, financial hardship or illness. Borrowers are also entitled to receive forbearance if they meet certain regulatory eligibility criteria.

Forbearance (Perkins) A temporary postponement of payments. In the Perkins Program forbearance is available for all loans, regardless of when they were made. Under Perkins forbearance, a borrower may alternatively request an extension of time allowed for making payments, or the acceptance of smaller payments than were previously scheduled.

Foreclosure A method of enforcing payment of a debt secured by a mortgage by seizing the mortgaged property. Foreclosure terminates all rights that the mortgagor has in the mortgaged property upon completion of due process through the courts.

Foreign School A school not located in a state, territory, or possession of the United States, or otherwise administered by the government of the United States. For the purposes of the Direct Loan Program, a state includes a State of the Union, American Samoa, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Forgiveness In the Direct Loan and FFEL programs, cancellation of a loan debt in exchange for the borrower performing certain types of service.

FOTW FAFSA on the Web

FP Dear Colleague Letter designation for financial partners (published before January 2013)

FPL Federal Perkins Loan Program

FPRD Final Program Review Determination (L letter)

FR Federal Register

FRB Federal Reserve Bank

FRCS Federal Reserve Communications System

Free Application for Federal Student Aid (FAFSA) The student aid application provided for under section 483 of the HEA, which is used to determine an applicant's eligibility for the federal student aid programs. See *Student Aid Application*.

Freely Associated States (Micronesia, Palau, Marshall Islands) Students from one of the Freely Associated States are potentially eligible for Pell Grants, but are not eligible for Title IV loans. Citizens of Palau are also eligible for FWS and FSEOG. Citizens of these states are eligible noncitizens, but do not have A-numbers or (usually) Social Security Numbers.

Freeze Cash A period during which a school is temporarily prevented from drawing down cash until unsubstantiated cash previously drawn down is substantiated by submitting actual disbursements or refunding cash. Pertains to schools using the Advance Payment funding method.

FS Financial Services (in the U.S. Department of Education)

FSA Federal Student Aid, an office of the Department of Education

The FSA ID A username and password combination that serves as a student's or parent's identifier, allows access to personal information in various U.S. Department of Education systems, and acts as a digital signature on some online forms.

FSAH Federal Student Aid Handbook

FSAIC Federal Student Aid Information Center

FSAPubs Federal Student Aids site for ordering publications found at www.FSAPubs.gov.

FSATECH Listserv An e-mail listserv through which schools can ask technical questions about Federal Student Aid systems, software, and mainframe products. Answers are provided by technical experts at FSA. For more information on subscribing to FSATECH, go to ed.gov/offices/OSFAP/services/fsatechsubscribe.html.

FSEOG Federal Supplemental Educational Opportunity Grant Program

FT Full Time

FTE Full-time Equivalent

Full-time Student An enrolled student carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. The student's workload may include any combination of courses, work, research, or special studies that the institution considers sufficient to classify the student as a full-time student. For a term-based program, the student's workload may include repeating any coursework previously taken in the program but may not include more than one repetition of a previously passed course. There are individual minimum standards for programs

- that measure progress in credit hours and uses standard terms,
- that measure progress in credit hours and does not use terms,
- that measure progress in credit hours and uses nonstandard terms
- that measure progress in clock hours,
- composed of a series of courses or seminars,
- offered in a cooperative education structure,
- composed of correspondence coursework.

(For additional details see 34 CFR 668.2.)

Full-time Teacher (in the TEACH Program) A teacher who meets the standard used by a state in defining full-time employment as a teacher. For an individual teaching in more than one school, the determination of full-time is based on the combination of all qualifying employment.

Fund (Federal Perkins Loan Fund) A fund established and maintained according to § 674.8(a).

Funds Available for Awards In the Campus-Based Programs, the principal that the amount available for awards is the federal share, plus the institutional match, minus the applicable *Administrative Cost Allowance*.

Fund-Specific Basis One of the ways a school can match its federal allocation in the FSEOG Program. In this approach, the school establishes an FSEOG account for federal program funds and deposits the required 25% qualified nonfederal matching share into the fund. The matching funds must be deposited at the same time the federal funds are deposited. Awards to FSEOG recipients are then made from this mixed fund. Schools using the fund-specific method must deposit their institutional match at the time they receive the federal share funds.

FWS Federal Work-Study Program

FY Fiscal Year

G

G Dear Colleague Letter designation for guaranty agency letters (published before January 2013)

G5 Formerly known as GAPS, this system is used by Federal Student Aid to process school-specific obligations and to make payments (drawdowns) against those obligations. G5 communicates with the COD system through FMS. G5 is part of EDCAPS and interfaces directly with U.S. Treasury's Federal Reserve System. G5 is the system through which schools request and return Federal Student Aid funds.

G5 Online Guide for the G5 Payment System An online guide for the G5 system to assist Department staff, applicants and recipients with G5 regarding the grant management and payment activities and other operational activities of G5.

G5 External Award Activity Report (Activity Report) A statement for a school's G5 awards that displays both cumulative and detailed information on drawdown activity, refunds, adjustments, available balances, and authorization changes for each award.

G5 Hotline Department of Education call center responsible for assisting G5 customers. The hotline phone number is 888-336-8930, the email address is edcaps.user@ed.gov.

G-845 Form This form is completed by the FAA and sent to DHS with a student's eligible noncitizen documentation to support a claim of being an eligible noncitizen for Title IV purposes, after primary and secondary electronic verification has failed. The G-845 can only be used after primary and secondary confirmation with DHS has been performed.

GA Guaranty Agency

GAAP Generally Accepted Accounting Principles

GAAS Generally Accepted Auditing Standards

GAGAS Generally Accepted Government Auditing Standards

Gainful Employment Programs All nondegree educational programs offered by public and nonprofit institutions and virtually all academic programs offered by proprietary institutions of higher education. These programs prepare students for "gainful employment in a recognized occupation."

GAN Grant Award Number

GAO Government Accountability Office (formerly General Accounting Office)

Garnishment The withholding of an individual's funds by an entity for the payment of a debt in accordance with a court order or other legal or equitable procedure. No FSA grant, loan, or work assistance (or property traceable to that assistance) is subject to garnishment or attachment except to satisfy a debt owed to the Department.

GAS Government Auditing Standards

GASB Governmental Accounting Standards Board

GE Gainful Employment

GEAR UP Gaining Early Awareness and Readiness for Undergraduates Program

GED General Education Development certificate or General Equivalency Diploma. Equivalent of a high school diploma.

GEN Dear Colleague Letter designation for general letters

General Fund Accounts for receipts not earmarked by law for a specific purpose.

General Journal A book of original entry that requires that the account being debited and the account being credited be listed along with the respective amounts. Because of accounting software and special journals there are relatively few entries made into the general journal.

General Ledger That part of the accounting system which contains the balance sheet and income statement accounts used for recording transactions.

Generally Accepted Accounting Principles (GAAP) Uniform minimum standards of and guidelines to financial accounting and reporting. Currently, the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), and the Federal Accounting Standards Advisory Board (FASAB) are authorized to establish these principles.

Generally Accepted Auditing Standards (GAAS) Standards governing the conduct of external audits by CPAs, as determined by the Auditing Standards Board (ASB) of the AICPA.

Gift Aid Financial assistance, such as grants and scholarships, that do not need to be repaid.

Going Concern Assumption The accounting guideline that allows the readers of financial statements to assume that the organization being audited will continue in operation long enough to realize its investment in assets through operations (as opposed to sale). An audit statement must note an opinion if the accountant performing the audit believes that the assumption is in doubt.

Government Accountability Office (GAO) Independent, non-partisan agency that assists Congress in investigating and reporting on government's effectiveness in using public funds.

Government Auditing Standards or *Generally Accepted Government Auditing Standards* (GAGAS) Commonly referred to as the "Yellow Book," it contains standards for audits of government organizations, programs, activities, and functions, and of governmental funds received by contractors, nonprofit organizations, and other non-government organizations. Revisions are issued as required by the Comptroller General of the United States.

Governmental Accounting Standards (GAS) Official promulgations by the Governmental Accounting Standards Board (GASB) and, if not superseded, part of generally accepted accounting principles applicable to state and local governmental entities.

Governmental Accounting Standards Board (GASB) Group authorized by the accounting profession to establish generally accepted accounting principles (GAAP) applicable to state and local governmental entities.

GPA Grade Point Average

GPO Government Printing Office

Grace Period A period of time following a borrower's period of enrollment and preceding the repayment period start date for a loan during which the borrower is not required to make payments.

Grade Level Classification of a student by academic year at a school; e.g. freshman, sophomore, or first-year, second-year, etc. A student's grade level is measured according to standards established by the school. Grade level helps determine a student's annual loan limit.

Grade-Level Progression A student's movement through their academic program for purposes of determining when a borrower becomes eligible for a new annual loan limit.

Grade Point Average (GPA) A cumulative measure of a student's grades over time where the grades have been converted to a numerical scale.

Graduate or Professional Student A student who

- is not receiving federal student aid as an undergraduate student for the same period of enrollment;
- is enrolled in a program or course above the baccalaureate level or is enrolled in a program leading to a professional degree;
- has completed the equivalent of at least three years of full-time study either prior to entrance into his or her program or as part of the program itself.

Grant Award Number Unique, 11-character "number" that identifies each grant award issued by a specific program office to a specific grantee. All funds are requested (and returned) using the Grant Award Number. The following is an example of a Grant Award Number and an explanation of the parts that make up the number: P031B151234

- P—Program Office issuing the award
- 031—Catalog of Federal Domestic Assistance (CFDA) numeric suffix of the program
- B—Alphabetic subprogram identifier
- 15—The trailing year in the academic year for DL and TEACH and the beginning year in the academic year for Pell and all other awards.
- 1234—Unique identifier

Grantee an entity (not a person) that applies for and receives a grant award from the Department. The grantee is responsible for ensuring the grant is administered in accordance with program regulations.

Guaranty Agency A state or private nonprofit organization that has an agreement with the Department under which it will administer a loan guarantee program under the Act.

H

Half-time Student An enrolled student who is carrying a half-time academic workload, as determined by the institution, that amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student, except that a student enrolled solely in a program of study by correspondence must be carrying a workload of at least 12 hours of work per week, or is earning at least six credit hours per semester, trimester, or quarter. Note that regardless of the work, no student enrolled solely in correspondence study is considered more than a half-time student.

Handicapped Children Children ages 3 through 21, inclusive, who require special education and related services because they are

- mentally retarded,
- hard of hearing,
- deaf,
- speech and language impaired,
- visually handicapped,
- seriously emotionally disturbed,
- orthopedically impaired,
- specific learning disabled, or
- otherwise health impaired.

Hardship Payment Reduction In the Perkins Program, lowering a borrower's scheduled payments, for up to one year at a time, if the borrower is scheduled to pay the $40 minimum monthly payment and the school determines that the borrower is unable to make the scheduled payments due to hardship, such as prolonged illness or unemployment.

HBCU Historically Black Colleges and Universities

HCM Heightened Cash Monitoring

HCM1 Heightened Cash Monitoring 1 Payment Method

HCM2 Heightened Cash Monitoring 2 Payment Method

HEA Higher Education Act

Header A summer term that is, for Pell Grant awarding purposes, uses funds from the subsequent award year. See also *Trailer*.

HEAL Higher Education Assistance Loan Program

Heightened Cash Monitoring There are two payment methods (Heightened Management and Reimbursement) and three levels of heightened cash monitoring—Heightened Cash Monitoring 1 (HCM1), Heightened Cash Monitoring 2 (HCM2), and Reimbursement through which the Department more closely monitors the expenditure of federal funds by schools whose policies and procedures have been called into question.

High-Need Field (in the TEACH Program) Any field documented as high-need by the federal government, a state government, or a local education agency (LEA), and approved by the Department and listed in the Department's annual Teacher Shortage Area Nationwide Listing (Nationwide List) in accordance with 34 CFR 682.210(q).

High-Risk Children Individuals under the age of 21 who are low-income or at risk of abuse or neglect, have been abused or neglected, have serious emotional, mental, or behavioral disturbances, reside in placements outside their homes, or are involved in the juvenile justice system.

Higher Education Act (HEA) Federal legislation passed in 1965, with amendments and reauthorizations subsequently passed, authorizing federal postsecondary student financial aid programs and mandating that the programs be regulated and administered by the U.S. Department of Education.

Holder See *Loan Holder*.

Home School Under a consortium or contractual agreement, the school where a student is enrolled in a degree or certificate program.

Host School The school where students are taking part of their program requirements through either a consortium or contractual agreement.

Household Size See *Family Size*. Household size is the term used in the EFC calculation, and in verification.

HSI Hispanic-Serving Institution

I

IBR Income-Based Repayment Plan

ICC Institutional Capital Contribution (Perkins)

ICR Income-Contingent Repayment Plan

IFAP Information for Financial Aid Professionals (web site)

IG Inspector General

IHE Institution of Higher Education

IIS Institutional Improvement Specialist

Immediate Need The amount of FSA program funds a school needs to make disbursements within three business days following the date the school receives the funds. This definition of immediate need applies to all FSA program funds (other than Perkins Loan funds), regardless of whether the school draws down funds by electronic funds transfer (EFT) through the ACH or through FEDWIRE.

Immigration and Naturalization Service (INS) A federal agency abolished when the Department of Homeland Security was created in 2003 and its responsibilities were split into three different agencies. (See *U.S. Citizenship and Immigration Services*.)

Immigration Status The status conferred on a noncitizen under the Immigration and Nationality Act of 1952, as amended, 8 U.S.C. 1182.

Improper Payment Any payment made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements and includes any payment to an ineligible recipient, any payment for an ineligible service, any duplicate payment, payments for services not received, and any payment that does not account for credit for applicable discounts. (See *Overaward* and *Overpayment*.)

In School The period during which borrowers are enrolled in a postsecondary educational program. For purposes of eligibility for loan deferments, a student must be enrolled at least half-time as an eligible student to be considered "in-school."

Inadvertent Overborrowing An overpayment that occurs when a student inadvertently has received FSA loan funds in excess of annual or aggregate loan limits and is no longer eligible for FSA funds. A school must determine that a borrower's receipt of loan funds in excess of an annual or aggregate loan limit was inadvertent before the borrower may regain FSA eligibility.

Inadvertent Overpayment Occurs when a school disburses FSA funds to a student who is no longer in attendance, for example, when a school makes a scheduled disbursement on Monday to a student who dropped out on the previous Friday. Inadvertent overpayments are included in Return calculations as Aid that could have been disbursed rather than Aid that was disbursed.

Incarcerated Student A student who is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or other similar correctional institution. A student is not considered incarcerated if that student is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated Student Limitation The requirement that no more than 25% of a school's regular students be incarcerated for the school to be eligible to participate in the Title IV programs. A public or private nonprofit school can ask the Department to waive this limitation in certain circumstances.

Incentive Compensation Prohibition The requirement that a school not provide any commission, bonus, or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid to any person or entity engaged in any student recruitment or admission activity or in making decisions regarding the award of Title IV, HEA program funds.

Incentive Repayment Program Steps a school (in the Perkins Program) may take to encourage a borrower to make regular payments. Included are reducing a loan's interest rate by up to 1% if the borrower makes 48 consecutive monthly payments; and discounting (Reducing) the balance a borrower owes on a loan if he or she pays the loan in full before the end of the repayment period. With the Department's approval, a school may establish any other repayment incentive options that reduces default and replenishes the funds available to lend to students.

Incompatible Duties Internal control systems rely on separation of function or duties to reduce the chance of errors or fraud. Duties are incompatible if they should be separated for control. For example, one person should not be in a position to both embezzle funds and to hide the embezzlement by changing the recorded accountability.

Increased Unsubsidized Eligibility for Health Professions Students To replace loan funds that otherwise would have been available under the former HEAL Program, schools can award increased Direct Unsubsidized Loan amounts to graduate or professional students who are enrolled at least half-time in a health professions discipline that was eligible under the HEAL Program, or in certain naturopathic medical programs.

Incurred A word used by accountants to communicate that an expense has occurred and needs to be recognized on the income statement even though no payment was made. The second part of the necessary entry will be a credit to a liability account.

Independent Auditor A certified public accountant or a government auditor who meets the *Government Auditing Standards* qualification and independence standards, including standards related to organizational independence.

Independent Student A student who qualifies as an independent student under section 480(d) of the HEA. A student who satisfies one of the following criteria:

- is 24 years of age or older by December 31 of the award year;
- is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1)) or is currently serving on active duty in the Armed Forces for other than training purposes;
- is a graduate or professional student;
- is a married individual;
- has legal dependents other than a spouse;
- has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness, and self-supporting; or
- is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Indirect Cost A cost that cannot be identified specifically with or traced to a given cost object in an economically feasible way.

Individual Recipient Basis One of the ways a school can match its federal allocation in the FSEOG Program. In this approach a school ensures that every student's FSEOG award consists of 75% federal funds and 25% qualified nonfederal funds.

Infant or Toddler with a Disability An infant or toddler from birth to age 2, inclusive, who needs early intervention services for specified reasons, as defined in section 632(5)(A) of the Individuals with Disabilities Education Act.

Information for Financial Aid Professionals (IFAP) Federal Student Aid website (www.ifap.ed.gov) that provides information to financial aid professionals about the Title IV federal programs.

Initial Allocation For the Campus-Based Programs, the amount that the Department first allocates to each participating school for an award year from new funds appropriated by Congress, according to statutory allocation formulas. An eligible school receives an initial allocation for each Campus-Based Program in which the school participates.

Initial Grace Period That period which immediately follows a period of enrollment and immediately precedes the date of the first required repayment on a loan. This period is generally nine months for Federal Perkins loans, Defense loans, and NDSLs made before October 1, 1980, and six months for Direct loans. A borrower is only entitled to one initial grace period.

Initiating Official The designated department official authorized to begin an emergency action under 34 CFR 668.83.

In-Kind Goods or services provided instead of money.

Input Controls Computer controls designed to provide reasonable assurance that transactions are properly authorized before processed by the computer, accurately converted to machine readable form and recorded in the computer, that data files and transactions are not lost, added, duplicated or improperly changed, and that incorrect transactions are rejected, corrected and, if necessary, resubmitted on a timely basis.

INS Immigration and Naturalization Service (INS is now part of Department of Homeland Security and known as U.S. Citizenship and Immigration Services.)

Institution An institution of higher education, or a proprietary institution of higher education, or a postsecondary vocational institution as defined in 34 CFR part 600.

Institution-Affiliated Organization Any organization that is directly or indirectly related to a covered institution; and is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students.

An institution-affiliated organization may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization, of a covered institution. An institution-affiliated organization does not include any lender with respect to any education loan secured, made, or extended by such lender.

Institution of Higher Education One of three types of institutions eligible for participation in the Federal Student Aid programs. The others are a *proprietary institution of higher education*, and a *postsecondary vocational institution*. For a more information see 34 CFR 600.4.

Institutional Capital Contribution (ICC) In the Perkins Loan Program, the institutional funds a school must provide if the school receives a Federal Capital Contribution in an award year.

Institutional Control The designation of an institution as public or private, nonprofit or for-profit. By definition, an institution of higher education or a postsecondary vocational institution can be either public or private but is always nonprofit. A proprietary institution of higher education is always a private, for-profit institution.

Institutional Liability Financial penalties or repayments that a school must pay to the Department as a result of incorrect school action or actions. A liability is the difference between the actual expenditures reported by the school in G5 for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official.

Institutional Loan Loans specific to a college, university, or other post-secondary educational institution and made from institutional funds. Eligibility and loan characteristics will vary among institutions.

Institutional Student Information Record (ISIR) An electronic record that the Department transmits to an institution that includes an applicant's FAFSA information; personal identification information; and EFC.

Integrated Postsecondary Education Data System (IPEDS) The system maintained by the Department's National Center for Education Statistics. Via the IPEDS website, schools report their graduation, completion, and transfer-out rates.

Interest The cost of borrowing money. Interest is an expense calculated as a percentage of the outstanding (unpaid) principal balance.

Interest-Only Payment A payment that covers only accrued interest owed on a loan and none of the principal balance. Borrowers eligible for interest-only payments are not prohibited from making additional or larger payments.

Interest Rate The annual interest rate that is charged on a loan. The price charged per unit of money borrowed per year, or other unit of time, usually expressed as a percentage.

Interim Disbursement A disbursement made prior to verification by a school to an applicant selected for verification, when the school believes the applicant's FAFSA information is accurate. A school is liable for any overpayment the student receives as an interim disbursement for which the student is later determined to be ineligible and any subsidized student financial aid the student received if the school does not receive a valid SAR/ISIR within the timeframe established under 34 CFR 668.60, that is not eliminated by adjusting other financial assistance or recovered from the student.

Internal Control A process, directed by a school's management and other personnel, designed to provide reasonable assurance that the objectives of the school are being achieved in the following categories

- effectiveness and efficiency of operations including the use of the school's resources;
- reliability of financial reporting, including reports on budget execution, financial
- statements, and other reports for internal and external use;
- compliance with applicable laws and regulations.

Internal controls consist of the control environment, risk assessment, control activities, information and communication, and monitoring. A necessary implication or subset of these objectives is the safeguarding of school and trust assets against unauthorized acquisition, use, or disposition. Consequently, the definition of internal control, as it relates to safeguarding assets can be extended to include processes, directed by a school's management and other personnel, designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of the school's assets.

Internal Control Deficiency Exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Standards Standards that define the minimum level of quality acceptable for internal controls and provide the basis against which internal controls are to be evaluated.

Internal Control System The organization structure, operating procedures, and administrative practices that provide reasonable assurance that programs and administrative activities are efficiently carried out in accordance with the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123, "Management Accountability and Control."

Internal Revenue Service (IRS) A bureau in the U.S. Department of the Treasury. It is responsible for collecting taxes and the interpretation and enforcement of the Internal Revenue Code.

Institutional Methodology The formula a postsecondary institution uses to allocate the school's own financial aid funds and those federal student aid funds for which the student is eligible and over which the school has control.

International Accounting Standards Board (IASB) An organization whose members represent accounting bodies in member countries. The group is dedicated to bringing about the harmonization of international accounting standards.

International Auditing and Assurance Standards Board (IAASB) The committee authorized by the International Federation of Accountants (IFAC) to issue International Standards on Auditing (ISA) and guidance.

International Financial Reporting Standards (IFRS) A set of accounting standards, developed by the International Accounting Standards Board (IASB), that is becoming the global standard for the preparation of public company financial statements. The IASB is an independent accounting standards body, based in London, that is unaffiliated with the AICPA.

IPA Income Protection Allowance, also Independent Public Auditor

IPEDS Integrated Postsecondary Education Data System

Iraq and Afghanistan Service Grant A Title IV Grant for dependents of soldiers who died as a result of service in the U.S. military in Iraq or Afghanistan after September 11, 2001. The program has a duration of 6 Scheduled Awards, which equals 600% Lifetime Eligibility (LEU).

Iraq Afghanistan Service Grant Indicator A field added to COD for Award Years 2011-2012 and forward. This indicator is checked by the school when entering the award on the COD website and notifies the Department of the school's desire to award the student Iraq & Afghanistan Service Grant.

IRS Internal Revenue Service

IRS DRT Internal Revenue Service Data Retrieval Tool

IRS Data Retrieval Tool (DRT) The feature that allows students and parents who are using FAFSA on the Web and who have already submitted their federal tax return to electronically retrieve certain tax data from the IRS database for entry on their FAFSA.

IRS Request Flags The Student IRS Request Flag and Parent IRS Request Flag on the SAR/ISIR indicate whether the IRS data retrieval process was used and the result if used.

ISIR Institutional Student Information Record

ISIR Analysis Tool Tool used to review and analyze a school's Institutional Student Information Record (ISIR) data, and better understand the verification process and the characteristics of its FSA applicant population. The ISIR Analysis Tool is accessible through the FAA Main Menu of the FAA Access to CPS Online Website.

ISIR Guide Annual ED reference publication that aid administrators use to interpret student information on the ISIR. It also explains codes and flags that appear in the FAA Information section of the ISIR. Located at: www.ifap.ed.gov.

ISP Internet Service Provider

J

JLD Job Location and Development (Program) in Federal Work-Study Program

Job Location and Development (JLD) *Program* A school is allowed to use part of the federal funds it receives in under FWS to to encourage students to participate in community service activities and to expand off-campus job opportunities for students who are currently enrolled and who want jobs regardless of financial need. Jobs may be located and developed under the JLD Program for both FWS and non-FWS eligible students. The federal-share limitation for a JLD Program is 80% of the allowable costs.

Journal The record of journal entries in order by date. Often referred to as the book of original entry, since the entries are first recorded in a journal. From the journal the entries will be posted to the designated accounts in the general ledger.

Journal Entry The entry made in a journal. It will contain the date, the account name and amount to be debited, and the account name and amount to be credited. Each journal entry must have the dollars of debits equal to the dollars of credits.

L

L Dear Colleague Letter designation for FFEL letters (published before January 2013)

Late Disbursement A disbursement of federal student aid made to an otherwise eligible student after the date that

- for a loan under the Direct Loan Program, the student is no longer enrolled at the institution as at least a half-time student for the period of enrollment for which the loan was intended; or
- for an award under the Federal Pell Grant, FSEOG, Federal Perkins Loan, and TEACH Grant programs, the student is no longer enrolled at the institution for the award year.

Late Fee or Charges A fee that may be assessed if a scheduled FSA loan payment is not made by the due date.

Lawful Permanent Resident (LPR) Noncitizens who are legally permitted to live and work in the U.S. permanently. LPRs are potentially eligible for Title IV aid. Form I-551 is the standard document supporting LPR status (before 1997 "green cards" were used).

LD Dear Colleague Letter designation for limited distribution letters (published before January 2013)

LDA Last Date of Attendance

LEA Local Educational Agency

LEAP Leveraging Educational Assistance Partnership Program

Legal Guardian An individual appointed by a court to be a "guardian" of a person and specifically required by the court to use his or her financial resources for the support of that person.

Legally Authorized The legal status granted to an institution through a charter, license, or other written document issued by the appropriate agency or official of the State in which the institution is physically located.

Lender The organization that initially made an education loan. The lender could be the U.S. Department of Education, the borrower's school, or a lending institution.

Letter of Credit Document granted by banks stating that the bank will guarantee amounts that its customer incurred.

Letter of Credit Requirement If a school fails to meet the Refund Reserve Standard for returning funds in a timely manner in either of its two most recently completed fiscal years, the school may be required to submit an irrevocable letter of credit acceptable and payable to the Department equal to 25% of the returns the school made or should have made during its most recently completed fiscal year. Public schools and schools covered by a state tuition recovery fund that has been approved by the Department are not subject to the letter of credit requirements.

LEU Lifetime Eligibility Used

Level Of Expenditure (LOE) In the Perkins Loan Program, the maximum dollar amount the Department allows a school to expend from the school's Perkins loan fund in a given award year. The LOE includes all authorized expenditures for the program, including loans to students, administrative cost allowance, and collection costs.

Leveraging Educational Assistance Partnership (LEAP) *Program* A grant program authorized by Title IV of the HEA.

Liability For federal accounting purposes, a probable future outflow or other sacrifice of resources as a result of past transactions or events.

Librarian with a Master's Degree An information professional trained in library or information science who has obtained a postgraduate academic degree in library science awarded after the completion of an academic program of up to six years in duration, excluding a doctorate or professional degree.

Lifetime Eligibility Used (LEU) The sum of all annual Eligibility Used (EU) percentages for Pell Grant and Iraq & Afghanistan Service Grant recipients. The maximum a student may receive is the equivalent of 12 full-time semesters, or 6 scheduled awards. The COD system tracks a student's Pell LEU percentage.

Limitation (of participation) The continuation of a school's or third-party servicer's eligibility to participate in the Title IV programs subject to compliance with special conditions established by agreement with the Department or imposed as the result of a limitation or termination proceeding.

Liquidation In the Perkins Loan Program, a series of steps a school must follow when withdrawing from the program or closing.

Liquidation Period One of the award periods in G5. The liquidation period is one month long, follows the performance period and is the first closeout phase. During the liquidation period

- no new expenditures may be processed against a grant award;
- schools can draw down funds for obligations incurred during the performance period; and
- schools may use the period to adjust draw-downs for expenditures incurred during the performance period.

The last date a school can draw down cash from the Department without special permission from the program office is the end of the liquidation period.

Liquidity The availability of cash or ability to obtain it quickly. Debt paying ability.

LOA Leave of Absence

Loan Balance The amount owed on a loan that if paid will retire the loan. See *Loan Principal*.

Loan Disclosure Statement (Direct Loan) A document that provides a Direct Loan borrower with important loan-specific information, such as the anticipated loan disbursement amounts, the anticipated loan disbursement dates, and the amount of the borrower's loan fee. It is provided to the borrower before or at the time of the first disbursement of a Direct Loan.

Loan Forgiveness The cancellation or reduction of a loan debt under the FFEL or Direct Loan programs for certain types of public service.

Loan Guarantee Any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a borrower to a nonfederal lender.

Loan Holder The organization that owns a loan. Examples include the U.S. Department of Education, banks, and schools. Most federal student loans made since July 1, 2010, are owned by the U.S. Department of Education. The current loan holder may be different than the organization that originally made the loan. The loan holder may be different than the loan servicer.

Loan Period See *Period of Enrollment*.

Loan Principal Initially, the amount borrowed plus any fees charged by the lender. Later, it includes capitalized interest, charges and fees allowed by regulation, less any amount paid and credited to principal, and any amount cancelled, forgiven, or discharged.

Loan Proration Proportionally reducing an undergraduate Direct Loan borrower's annual loan limit if the borrower is enrolled in a program shorter than a full academic year, or in a program that is more than one academic year in length but is in a remaining period of study shorter than a full academic year.

Loan Servicer An entity that collects payments on loans, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a loan (e.g., processing requests for a change in repayment plans). A federal loan servicer is a loan servicer for the U.S. Department of Education.

Local Educational Agency (LEA) (1) A public board of education or other public authority legally constituted within a state to administer, direct, or perform a service function for public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a state; or such combination of school districts of counties as are recognized in a state as an administrative agency for its public elementary or secondary schools. (2) Any other public institution or agency having administrative control and direction of a public elementary or secondary school.

Lockbox (bank lockbox) Speeds the availability of funds from cash collections by reducing the time from the customer mailing the check until the funds are available to spend. Remittances are sent to a bank near the customer and the bank deposits funds speedily to the payee's account.

LOE Level of Expenditure (in the Federal Perkins Loan Program)

LOR Loan Origination Record

Loss (n.) (financial) Any expense or irrecoverable cost, often referred to as a form of nonrecurring charge; an expenditure from which no present or future benefit may be expected.

Low-Income Community A community where there is a high concentration of children eligible to be counted under title I of the Elementary and Secondary Education Act of 1965, as amended.

Low-Income Individual A person whose income falls below the Income Protection Allowances published annually by the Department in the Federal Register.

LSDA Late Stage Delinquency Assistance

LST Limit, Suspend or Terminate (a school's participation in the federal student aid programs)

M

Major Disaster Any natural catastrophe (including any hurricane, tornado, storm, high water, wind driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

Mandatory Forbearance (or *Mandatory Administrative Forbearance*) Forbearance a lender is required to grant because a borrower satisfies criteria such as military or domestic service, residence in a designated disaster area, changes in certain repayment plans, and medical and dental residency. The Direct Loan and Perkins loan program have different qualifying requirements.

Master Promissory Note (MPN) A promissory note that can be used to make one or more loans for one or more academic years (up to 10 years). An MPN lists the terms and conditions under which the borrower agrees to repay the loan and explains the borrowers rights and responsibilities.

Matching In the Campus-Based Programs, with certain exceptions, schools that participate in the Campus-Based Programs must provide nonfederal funds as a match for the federal funds they receive. The specific matching requirements for each Campus-Based Program are different. The institutional matches are known as the institutional nonfederal share in the FWS and FSEOG programs and the institutional capital contribution in the Perkins Program.

Material Weaknesses (in financial reporting) Reportable condition or combination of reportable conditions, that results in more than a remote likelihood that a material misstatement of the financial statements, or other significant financial reports, will not be prevented or detected.

Maximum Eligibility Period (Direct Loan) A period of time, measured in academic years, equal to 150 percent of the length of the educational program, as published by the institution, in which the borrower is currently enrolled.

MD&A Management's Discussion and Analysis in an audit report

MDE Multiple Data Entry

Measurable Can be determined with reasonable certainty or is reasonably estimable.

Medical Technician An allied health professional (working in fields such as therapy, dental hygiene, medical technology, or nutrition) who is certified, registered, or licensed by the appropriate state agency in the state in which he or she provides health care services. An allied health professional is someone who assists, facilitates, or complements the work of physicians and other specialists in the health care system.

Merit-Based Aid Financial aid awarded on the basis of specific accomplishments or talents rather than financial need.

Module A period of enrollment that is shorter than a school's regularly scheduled academic periods that either falls within but does not span an entire semester, or falls between of a school's regularly scheduled academic periods. Often referred to by schools as a *mini-session*.

Misrepresentation Any false, erroneous or misleading statement by an eligible institution, one of its representatives, or any ineligible institution, organization, or person with whom the eligible institution has an agreement to provide educational programs, or to provide marketing, advertising, recruiting, or admissions services makes directly or indirectly to a student, prospective student or any member of the public, or to an accrediting agency, to a state agency, or to the Department. A misleading statement includes any statement that has the likelihood or tendency to deceive or confuse. A statement is any communication made in writing, visually, orally, or through other means. Misrepresentation includes the dissemination of a student endorsement or testimonial that a student gives either under duress or because the institution required the student to make such an endorsement or testimonial to participate in a program.

Modules or Offered in Modules A program is "offered in modules" if a course or courses in the program does not span the entire length of the payment period or period of enrollment.

MOP Method of Payment

MPN Master Promissory Note

MPN Acknowledgement The COD response sent to schools upon receipt of an MPN once edits have been performed and the linking attempted by COD.

MPN ID The unique identifier printed on the MPN. It is made up of a student's SSN, 'M' – for subsidized or unsubsidized, 'N' – for Parent PLUS and Grad PLUS, the last two digits of the award year, a school's Direct Loan code, and a three-digit sequence number. Example: 123456789M07G12345001.

Multi-Year (MY) *Feature* The feature of the Master Promissory Note that allows multiple Direct Loans for the same student borrower to be disbursed under the same MPN. Once an MPN has been accepted and remains open, schools that use this feature do not have to obtain a new promissory note each academic year. The MPN may be valid for up to 10 years.

Multiple Disbursement Requirement The requirement that FSA funds, except the Federal Work-Study wages, be paid in two or more installments of approximately equal increments.

MRR Multiple Reporting Record

Multiple Reporting Record (MRR) For the Pell Grant program, the MRR identifies originations and disbursements being reported by more than one institution for the same student during the same period of time. The multiple report records are designed to provide institutions with information to identify and resolve potential overaward payments and concurrent enrollments before they occur.

MY Multi-Year feature of Direct Loan promissory notes

N

NACUBO National Association of College and University Business Officers

NAPD Net Accepted and Posted Disbursements

NASFAA National Association of Student Financial Aid Administrators

NASSGAP National Association of State Student Grant and Aid Programs

National Committee on Foreign Medical Education and Accreditation (NCFMEA) The operational committee of medical experts established by the Department to determine whether the medical school accrediting standards used in other countries are comparable to those applied to medical schools in the United States, for purposes of evaluating the eligibility of accredited foreign graduate medical schools to participate in the title IV, HEA programs.

National Credit Bureau or Nationwide Consumer Reporting Agency A credit bureau with a service area that encompasses more than a single region of the country. Any one of the national credit bureaus with which the Department has an agreement.

National Early Intervention Scholarship and Partnership (NEISP) *Program* The scholarship program authorized by Chapter 2 of subpart 1 of Title IV-A of the HEA.

National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) *Program* A previously offered grant program under which grants were awarded during the third and fourth academic years of study to eligible financially needy undergraduate students pursuing eligible majors in the physical, life, or computer sciences, mathematics, technology, or engineering, or foreign languages determined to be critical to the national security of the United States.

National Student Loan Data System (NSLDS) The Department of Education's central database for student financial aid. It contains student-level data received from schools, the Direct Loan Program, the Pell Grant Program, and other ED programs and offices. NSLDS provides a centralized, integrated view of federal student aid loans and Pell grants and tracks them through their entire cycle. Located on the web at www.nsldsfap.ed.gov/nslds_FAP/default.jsp

Nationally Recognized Accrediting Agency An agency or association that the Department recognizes as a reliable authority to determine the quality of education or training offered by an institution or a program offered by an institution. The Department recognizes these agencies and associations under the provisions of 34 CFR part 602 and publishes a list of the recognized agencies in the Federal Register.

NCES National Center for Educational Statistics

NCSFMEA National Committee on Foreign Medical Education and Accreditation

NDSL National Direct (or Defense) Student Loan Program

Need-based Employment Employment provided by an institution itself or by another entity to a student who has demonstrated to the institution or the entity (through standards or methods it establishes) a financial need for the earnings from that employment for the purpose of defraying educational costs of attendance for the award year for which the employment is provided.

Negative Assurance A statement of what the CPA does not know as opposed to what the CPA believes (positive assurance) that is, a statement that nothing came to his attention that caused him to believe that the accounts examined did not meet a specified standard. A statement that the CPA was "not aware of material modifications that should be made to financial statements for them to conform with U.S. generally accepted accounting principles" is negative assurance.

Negotiated Rulemaking (Neg. Reg) Section 492 of the Higher Education Act (HEA) requires that, before publishing any proposed regulations to implement programs under Title IV of the HEA, the Department obtain public involvement in the development of those proposed regulations. *Negotiated Rulemaking* is the process the Department uses to obtain input from organizations and groups that represent the interests significantly affected by the proposed regulations.

NEISP National Early Intervention Scholarship and Partnership (Program)

Net Accepted and Posted Disbursements Total actual disbursements [Disbursement Release Indicator (DRI) = True] that have been accepted and posted on the COD System plus accepted actual disbursement adjustments (upward or downward).

Net Assets The current market value at the time of application of the assets (not including a home or farm) minus the outstanding liabilities or indebtedness against the assets.

Net Drawdowns or Payments Cash Receipts (funds drawn through G5) minus Refunds of Cash (funds returned through G5) minus Returns of Cash (drawdowns rejected by the school's bank). This figure will also include drawdown adjustments.

Net Income Ratio A measure of a college's profitability, used when calculating the composite score. The net income ratio is expressed as a fraction with the income before taxes as the numerator and the total revenues as the denominator.

Net Price Calculator An online tool providing estimated net price information to current and prospective students and based, as much as possible, on their individual circumstances. Net price is defined as the cost of attendance minus the average yearly grant and scholarship aid, and all Title IV schools that enroll full-time, first-time degree- or certificate-seeking undergraduate students must have on their website a net price calculator.

NFC National Finance Center

Nominal (or Face or Par) *Value or Amount* The amount of a bond, note, mortgage, or other security as stated in the instrument itself, exclusive of interest or dividend accumulations. The nominal amount may or may not coincide with the price at which the instrument was first sold, its present market value, or its redemption price. Often referred to as the stated value.

Noncampus Building or Property Any building or property owned or controlled by a student organization that is officially recognized by the institution; or any building or property owned or controlled by an institution that is used in direct support of, or in relation to, the institution's educational purposes, is frequently used by students, and is not within the same reasonably contiguous geographic area of the institution.

Noncash Contribution The paying of a school's share of a student's Federal Work-Study wages through a contribution of services or equipment—for example, tuition and fees, room and board, and books and supplies.

Non-conformance (in financial reporting) A condition in which financial management systems do not substantially conform to financial systems requirements. Financial management systems include both financial and related (or mixed) systems.

Non-Credential Teacher Certification Program Coursework Coursework for which a school does not award an academic credential for a course that is required for teacher certification or recertification in the state where the student plans to teach.

Nonfederal Audit A school financial statement and/or compliance audit conducted by an independent public accountant (as defined by the audit standards of the U.S. General Accounting Office) who has been hired by the school. Also called an Independent Audit or an OMB Circular A-133 audit.

Nonfederal Share of FWS (Institutional Share) The share of a student's wages paid by a school from school or other eligible funds. In general, a school must contribute (match) 25% of the student's total wages. There are exceptions for employment

- in civic education and community service projects;
- as a reading tutor for preschool-age children or elementary school children;
- as a mathematics tutor for children in elementary school through ninth grade;
- in a family literacy projects that provide services to families with preschool or elementary age children; and
- at a private nonprofit organization or a federal, state, or local public agency.

A school may also pay the nonfederal share with noncash contributions.

Nonfederal Share of FSEOG The share of FSEOG grants made to students from the school's own resources. In general, this "match" must equal 25% of the total FSEOG awards made to students. The school's resources may include the following:

- institutional scholarships and grants;
- waivers of tuition or fees;
- the nonfederal portion of state scholarships and grants; and
- funds from foundations or other charitable organizations.

The types of nonfederal FSEOG matching include the individual recipient basis, aggregate basis, and fund-specific basis.

Non-Material Weaknesses (in financial reporting) Control problems that can be corrected at the Principal Office level without the approval or attention of the next higher level of management.

Nonprofit Institution (Domestic) An institution that

- is owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which benefits any private shareholder or individual;
- is legally authorized to operate as a nonprofit organization by each state in which it is physically located; and
- is determined by the U.S. Internal Revenue Service to be an organization to which contributions are tax-deductible in accordance with section 501(c)(3) of the Internal Revenue Code.

*Nonprofit Institution (*Foreign) An institution that is owned and operated only by one or more nonprofit corporations or associations; and

- if a recognized tax authority of the institution's home country is recognized by the Department for purposes of making determinations of an institution's nonprofit status for title IV purposes, is determined by that tax authority to be a nonprofit educational institution; or
- if no recognized tax authority of the institution's home country is recognized by the Department for purposes of making determinations of an institution's nonprofit status for title IV purposes, the foreign institution demonstrates to the satisfaction of the Department that it is a nonprofit educational institution; or
- is determined by the U.S. Internal Revenue Service to be an organization to which contributions are tax-deductible in accordance with section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)).

Nonprofit Organization An organization owned and operated by one or more nonprofit corporations or associations where no part of the organization's net earnings benefits, or may lawfully benefit, any private shareholder or entity. An organization may show that it is nonprofit by meeting the provisions of § 75.51 of the Education Department General Administrative Regulations (EDGAR), 34 CFR 75.51.

Nonstandard Term Academic or payment period in which classes are expected to begin and end within fixed starting and ending dates but the terms are not the length of standard terms (14-17 weeks long).

Nonterm An academic or payment period in which classes do not to begin and end within a fixed dates. A program measuring progress in clock-hours is always considered a nonterm program. A credit-hour program is considered nonterm if it has:

- courses that do not begin and end within a set period of time;
- courses that overlap terms;
- self-paced and independent study courses that overlap terms; or
- sequential courses that do not begin and end within a term.

Normal Time The amount of time necessary for a student to complete all requirements for a degree or certificate according to the institution's catalog. This is typically four years for a bachelor's degree in a standard term-based institution, two years for an associate degree in a standard term-based institution, and the various scheduled times for certificate programs.

Notice Notification about the availability of information an institution is required to disclose and provide to an individual on a one-to-one basis through an appropriate mailing or publication, including direct mailing through the U.S. Postal Service, campus mail, or electronic mail. Posting on an Internet website or an Intranet website does not constitute a notice.

Notice of Proposed Rulemaking (NPRM) An announcement of an agency's plan to draft regulations that solve problems and accomplish goals and to give interested persons an opportunity to submit comments to improve the final regulations.

NPRM Notice of Proposed Rulemaking

NRM Negotiated Rulemaking

NSC National Student Clearinghouse

NSF Non-Sufficient Funds

NSLDS National Student Loan Data System

NSLDS Match Flag The result on a SAR/ISIR of the match with NSLDS for identifying potential default or overpayment issues in the applicant's financial aid history.

NSLDS Postscreening The process through which NSLDS assists schools to detect significant changes to a student's financial aid history that may affect a student's aid eligibility. If NSLDS detects such a change, it will inform CPS. CPS generates a new ISIR and a new NSLDS transaction number.

Number in College The number of persons in the household size that are enrolled at least half time in a degree or certificate program at a Title IV-eligible postsecondary school. *Number in college* is used in the EFC calculation and is subject to verification.

Nurse A licensed practical nurse, a registered nurse, or other individual who is licensed by the appropriate State agency to provide nursing services.

O

Obligated Balances The net amount of obligations in a given account for which payment has not yet been made.

Obligation Binding agreements that will result in outlays immediately or in the future.

Obligations Amounts of orders placed, contracts awarded, services received, and other transactions occurring during a given period that would require payments during the same or a future period.

OC Object Class/Objective Classification

OCFO Office of Chief Financial Officer

OCR Office of Civil Rights

Office of the General Counsel (OGC) An office within the Department of Education. OGC provides legal services to all units within of the Department.

Office of the Inspector General (OIG) An office within the Department of Education. Within the office, *Investigation Services* (IS) is responsible for all investigative activities relating to the Department's programs and operations and the prevention and detection of fraud and abuse in these programs and operations.

Official Cohort Default Rate The official cohort is the cohort default rate the Department publishes for an institution under 34 CFR 668.186. Cohort default rates calculated for the FFEL and Direct Loan programs are not related in any way to cohort default rates that are calculated for the Federal Perkins Loan Program.

Official Reporting Date The date on which an institution must report fall enrollment data to either the state, its board of trustees or governing board, or some other external governing body.

OGC Office of General Council

OHA Office of Hearings and Appeals

OIG Office of Inspector General

OMB Office of Management and Budget

On-Campus Student Housing Facility A dormitory or other residential facility for students that is located on an institution's campus, as defined in § 668.46(a).

On-Time Payment A federal student loan payment made within 15 days of the scheduled due date.

One-Academic-Year Training Program An educational program that is at one academic year in length as defined under 34 CFR 668.2.

One-Third of an Academic Year A period that is one-third of an academic year as determined by an institution. At a minimum, one-third of an academic year must be a period that begins on the first day of classes and ends on the last day of classes or examinations and is a minimum of 10 weeks of instructional time during which, for an undergraduate educational program, a full-time student is expected to complete at least eight semester or trimester hours or 12 quarter hours in an educational program whose length is measured in credit hours or 300 clock hours in an educational program whose length is measured in clock hours.

For an institution whose academic year has been reduced under § 668.3, one-third of an academic year is the pro-rated equivalent, as measured in weeks and credit or clock hours, of at least one-third of the institution's academic year.

Office of Postsecondary Education Identification Number (OPEID) An eight-digit number assigned to an institution upon approval to participate in Federal Student Aid programs. It is used throughout multiple systems to identify a school entity (the first six digits) and its individual locations (the last two digits).

OPD Operations Performance Division

OPE Office of Postsecondary Education (in the U.S. Department of Education)

OPE-ID Office of Postsecondary Education Identifier

Origination The process through which and point at which a school creates and certifies a loan.

Origination Fee The amount a borrower is required to pay the Department to help defray the costs of subsidizing a Direct Loan.

Other Financial Assistance For purposes of determining a student's eligibility for Title IV funds, estimated financial assistance includes all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student's need is made, including national service educational awards or post-service benefits under Title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.), but excluding veterans' education benefits as defined in subsection (c). In general, tuition prepayment plans shall reduce the cost of attendance by the amount of the prepayment, and shall not be considered estimated financial assistance. For a detailed explanation of the components included in Other Financial Assistance see the Higher Education Act, as amended, Part F, Section 480(j).

Other Information Standard in Auditor's Report Information other than the audited financial statements and the related auditor's report, included in a company's annual report. The other information standard requires an auditor to focus on the responsibility to identify material inconsistencies between the other information and the company's audited financial statements and on the identification of material misstatements of fact, based on relevant evidence obtained and conclusions reached during the audit.

Outlay The issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate an obligation.

Output Document The Student Aid Report (SAR), Electronic Student Aid Report (ESAR), or other document or automated data generated by the Department of Education's central processing system or Multiple Data Entry processing system as the result of the processing of data provided in the Free Application for Federal Student Aid (FAFSA).

Overaward Amount by which a student's aid package exceeds his or her need. An overaward exists whenever a

- school awards aid either to a student who is ineligible for a specific program or to a student who is ineligible for any FSA program assistance;
- student's award in an individual program exceeds the regulatory maximum, e.g., lifetime limit for Pell Grant, annual or aggregate loan limits, annual limit on Supplementary Educational Opportunity Grant (FSEOG) awards, or a Pell award based on the wrong payment schedule or enrollment status;
- student's aid package exceeds his or her need (including when the student's Expected Family Contribution [EFC] is revised upward after initial packaging);
- student's award exceeds his or her cost of attendance (COA); and
- student is receiving a Pell Grant or Iraq and Afghanistan Service Grant at multiple schools for the same period.

Overpayment Funds disbursed to a student in excess of his or her need. That is, an overpayment exists when some or all of the funds that make up an overaward have been disbursed to the student.

Ownership Interest The possession of substantially all of the benefits and risks incident to ownership.

P

P Dear Colleague Letter designation for Pell Grant Program letters (published before January 2013)

PA Payment Analyst (in Performance Improvement and Procedures Service Group)

Pace of Completion The quantitative component (along with the qualitative component, i.e. grades) of Satisfactory Academic Progress (SAP). The minimum amount of academic credit/hours a student must complete to remain on track to finish the academic program within SAP limits. See *Satisfactory Academic Progress*.

Packaging A school's process for determining the type and amount assistance (from all sources) that will be offered to a student.

PAN Payee Account Number

Paper Secondary Confirmation The process for documenting that a student is an eligible noncitizen used when a student doesn't pass automated secondary confirmation or a school has conflicting information. Paper secondary confirmation is accomplished by use of the G-845 form and supporting documents.

Parent A student's biological or adoptive mother or father or the student's stepparent, if the biological parent or adoptive mother or father has remarried at the time of application.

Participating Institution An eligible institution that meets the standards for participation in federal student aid programs in subpart B and has a current program participation agreement with the Department.

Past Performance and Affiliation Standards The financial responsibility standards that look at schools' and affiliated officials' past performance (34 CFR 668.174) as it relates to the Title IV programs.

Pass-Through Charges Cost of housing or education supplies (books and materials) assessed by a third-party but paid (with a student's authorization) from a student's FSA funds if the school has entered into a contract with the third party to provide institutional housing and/or bookstore services.

Pastoral Counselor A person who is associated with a religious order or denomination, is recognized by that religious order or denomination as someone who provides confidential counseling, and is functioning within the scope of that recognition as a pastoral counselor.

Payee is an entity (designated by the grantee) to request and manage federal funds on its behalf. The grantee and payee can be the same entity.

Payee (in G5) The recipient (organization or individual) of Department of Education funds responsible for accounting for those funds. The payee may be a single entity, such as a college or a central finance office, that requests funds and prepares financial reports for several organizations within its system.

Payment (in G5) Funds deposited into payees' accounts. The payment must be disbursed within three business days.

Payment Analyst Formerly Reimbursement Analyst. An FSA employee who ensures that schools subject to heightened cash management have accurately determined FSA eligibility of, and payment to each student, with sufficient funds in the school's G5 account, and submits documentation to that effect.

Payment Data An electronic record that is provided to the Department by an institution showing student disbursement information.

Payment Methods The methods through which the Department provides funds to schools, including the advance payment method, the reimbursement payment method, and the cash monitoring payment methods.

Payment Period The academic period or period of enrollment established by an institution for which financial aid is disbursed. Payments for all federal student aid programs except FWS must be made on a payment period basis.

Payoff Amount The total required to pay off a loan. It includes the loan principal, capitalized interest, accrued interest, late charges, and other charges, fees, and costs allowed by the applicable regulations.

Payoff Date The date on which a loan payoff calculation is based.

PBO Performance-Based Organization

PC Parental Contribution

PDF Portable Document Format

Peak Enrollment Occurs when at least 25 percent of a school's students start classes during a given 30-day period. A school is given some leeway under the excess cash rules during this period.

Peer Review A monitoring program in which the audit documentation of one CPA firm is periodically reviewed by independent partners of other firms to determine that it conforms to the standards of the profession.

Pell Eligible Flag The field in the ISIR that alerts schools to an applicant's Pell Grant eligibility status. A Y confirms that a student's EFC and undergraduate or qualifying graduate status make him or her eligible for a Pell Grant and that the record has been included in the payment system database. This flag does not take into account whether students have reached their Pell lifetime eligibility used limit.

Pell Formula(s) Formulas used to calculate an eligible student's annual Pell Grant. The formula used for an individual student are differentiated by a student's enrollment status and program type.

Pell Grant Payment and Disbursement Schedule (Pell Disbursement or Payment Schedule) A table showing the annual awards that three-quarter, half-time, and less-than-half-time students at term-based institutions using credit hours would receive for an academic year in the Pell Grant Program. This table is published annually by the Department and is based on

- a student's expected family contribution (EFC), as determined in accordance with title IV, part F of the HEA;
- a student's attendance costs as defined in title IV, part F of the HEA; and
- the amount of funds available for making Federal Pell Grants.

Pell Grant Pending Disbursement List This list is automatically generated by COD and sent to a school's SAIG mailbox. It produces a listing of anticipated disbursements Disbursement Release Indicator (DRI) set to false and actual disbursements (DRI) set to true with dates set 8 to 30 days in the future. The list can be used to monitor anticipated disbursements nearing disbursement dates to either set the DRI to true for confirmed eligible students, or to cancel the award for ineligible students. The list also can be used to monitor awards scheduled for upcoming disbursements to determine current eligibility.

Pell Grant Reconciliation Report Sent annually by COD just prior to the close of the award year (September 30), the report provides a one-record per student summary of the total YTD Pell Grant disbursements in COD. Pell Grant Reconciliation Reports can also be ordered by a school through the COD web and are useful for both monthly and year-end reconciliation.

Pell Grant Verification Status Report Provides a list of students selected by the CPS for verification who have either a blank or W verification status in COD. Students whose verification status is "W" must be updated to be reconciled. Students whose verification status is "blank" must be updated to be disbursed. COD automatically sends the report to the school's SAIG mailbox on a monthly basis through the last day of December for the award year ending on July 31.

Pell Grant Year-to-Date (YTD) *Record* Contains detailed award and disbursement information at a transaction level. Pell Grant YTD Records are created only upon school requests. They can be requested on a per student, or all students, basis and they are a good tool for reconciling of student Pell data and rebuilding a school's corrupted data base. On an "all student" basis, the Pell Grant YTD Record shows the number of recipients at the school; the number of award and/or disbursement records that were accepted, corrected, and rejected; and, for certain edit codes, the number of times a school received that specific edit code on a response document.

PEPS Postsecondary Education Participation System

PII Percentage of Period Completed For Return of Title IV Funds purposes, the percentage determined by dividing the number of days or clock-hours in a payment period or period of enrollment, as applicable, completed by a student before he or she withdrew by the total length of the payment period or period of enrollment in days or clock hours.

Percent of Scheduled Award Used by Award Year (in Pell) The percent of his or her Pell eligibility a student has used in an award year. The percentage is calculated by summing all of the accepted disbursement records for a student within an award year across all schools and dividing that amount by the Scheduled Federal Pell Grant Award for the student for the award year.

Performance Period One of the award periods in G5. The period between the FSA program award begin date and the FSA program end date. During this period, schools can draw down cash. Once the performance period ends, the closeout process begins. During the performance period:

- schools may request payments;
- schools may modify payment requests;
- schools may adjust drawdowns; and
- changes may be made to the Federal Student Aid (FSA) program's grant awards authorizations.

Period of Enrollment The period for which a federal education loan is intended. The period of enrollment must coincide with a period established by the school for which institutional charges are generally assessed (e.g., semester, trimester, quarter, length of the student's program or academic year). The period of enrollment is also referred to as the loan period.

Perkins Loan Selection Criteria In awarding Perkins Loans a school must give priority to those students with exceptional financial need (as defined by the school). A school's Perkins selection procedures must be in writing, uniformly applied, and kept on file at the school.

Perkins Promissory Note The legally binding document that is evidence of a borrower's indebtedness to a school.

Personally Identifiable Information (PII) Any information about an individual that can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PL Public Law

P-Note Promissory Note (also PN)

PII Personally Identifiable Information

PIN Personal Identification Number

PJ Professional Judgment

Plain Language Disclosure (PLD) Document that summarizes the information contained in the Borrower's Rights and Responsibilities Statement. A PLD is provided to students (and parents borrowing on behalf of students) who attend schools that use the multiyear feature of the MPN. Since borrowers at these schools don't sign a new promissory note for each loan, a PLD is forwarded with each disclosure statement to remind Direct Loan borrowers of their rights and responsibilities.

PLD Plain Language Disclosure

POP Potential Overaward

Positive Assurance A statement as to what the CPA believes. An example is an opinion that the financial statements are presented fairly in conformity with U.S. GAAP. The opposite is negative assurance.

Post-Baccalaureate or Equivalent Medical Program A program offered by a foreign graduate medical school that requires, as a condition of admission, that its students have already completed their non-medical undergraduate studies and that consists solely of courses and training leading to employment as a doctor of medicine or doctor of osteopathic medicine.

Post-Baccalaureate Program (in the TEACH Program) A program of instruction for individuals who have completed a baccalaureate degree, that

- does not lead to a graduate degree;
- consists of courses required by a state in order for a student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that state, except that it does not include any program of instruction offered by a TEACH Grant-eligible institution that offers a baccalaureate degree in education; and
- is treated as an undergraduate program of study for the purposes of federal student aid.

Post-Deferment Grace Period That period of six consecutive months which immediately follows the end of certain periods of deferment and precedes the date on which the borrower is required to resume repayment on a loan.

Postsecondary Education Participants System (PEPS) Department system that maintains eligibility, certification, demographic, program review, financial and audit review and default rate data about institutions and lenders and guarantors participating in the Title IV programs.

Post-Withdrawal Disbursement For Return of Title IV Funds purposes, the amount of federal student aid funds a student is eligible to receive after withdrawing. It is equal to the amount by which the federal student aid earned by a student exceeds the total federal student aid disbursed to the student.

Posting Recording an entry in an account in the general ledger or in a subsidiary ledger.

Postsecondary Vocational Institution One of three types of institutions eligible for participation in the Federal Student Aid programs. The others are an *institution of higher education*, and a *proprietary institution of higher education*. For a more information see 34 CFR 600.6.

Potential Overaward Process (POP) Communication through which COD warns schools that have reported Pell Grant or Iraq and Afghanistan Service Grant disbursements to a student if COD calculates that (a) the reported Pell or Iraq and Afghanistan Service Grants disbursements for a student in an award year exceed 100 percent of the student's full scheduled award, or (b) a student might be receiving a Pell disbursements at two schools for the same period of time.

Poverty Guideline The income categorized by state and family size in the poverty guidelines published annually by the United States Department of Health and Human Services pursuant to 42 U.S.C. 9902(2).

PPA Program Participation Agreement

PRCN Program Review Control Number

Preaccredited A status that a nationally recognized accrediting agency, recognized by the Department to grant that status, has accorded an unaccredited public or private nonprofit institution that is progressing toward accreditation within a reasonable period of time.

Pre-Collection Activities In the Perkins Program, a series of contacts a school must make during a student's grace period that increase the likelihood that a student will begin satisfactory repayment on his or her Federal Perkins Loan.

Preferred Lender Arrangement An arrangement or agreement between a lender and a covered institution or an institution-affiliated organization of such covered institution under which a lender provides or otherwise issues education loans to the students attending such covered institution or the families of such students; and that relates to such covered institution or such institution-affiliated organization recommending, promoting, or endorsing the education loan products of the lender.

Prepaid Tuition Plan A savings vehicle that allows families to set aside funds for college expenses. Prepaid tuition plan funds are not considered Estimated Financial Assistance (EFA) in the packaging process, but such funds are considered an asset of the owner of the account, unless the owner of the account is a dependent student.

Preparatory Coursework Coursework required in order to be eligible for enrollment in an eligible program. Students may be eligible for Direct Loans for one consecutive 12 month period based on enrollment in coursework the school has documented is necessary for the student to enroll in a Title IV-eligible program.

Prepayment A loan payment made before it is due under the terms of the applicable promissory note.

Preschool-Age Child A preschool-age child is a child from infancy to the age at which his or her state provides elementary education.

Preventive Controls Preventive controls deter risks from being realized. Examples of preventive controls are documentation, approvals, authorizations, access controls, and file security.

Primary Confirmation A process by which the Department, by means of a matching program conducted with the Department of Homeland Security (DHS), compares the information contained in a Application for Federal Student Aid or a multiple data entry application regarding the immigration status of a noncitizen applicant for federal student aid with records of that status maintained by the DHS in its Alien Status Verification Index (ASVI) system for the purpose of determining whether a student's immigration status meets the requirements of 34 CFR 668.33(a)(2) and reports the results of this comparison on an output document.

Primary Accrediting Agency An agency that has the authority to accredit all of a postsecondary institution's programs. A school must have only one primary accreditor. (See also, *Programmatic Accrediting Agency*.)

Prime Rate The interest rate lending institutions charge their most credit-worthy customers—also called also the prime interest rate. Interest rates on some Direct Loans are set in relation to the prime rate.

Primary Reserve Ratio A measure of a school's viability and liquidity, used when calculating the composite score. The primary reserve ratio is expressed as a fraction with the adjusted equity as the numerator and the total expenses as the denominator.

Principal The loan amount borrowed plus any capitalized interest.

Principal Balance The principal that remains unpaid on a loan.

Prior-Year Charges Institutional charges for tuition and fees, room, or board (and with permission, educationally related charges) incurred prior to the current award year. In general, FSA funds may only be used to pay for the student's costs for the period for which the funds are provided. However, with a student's authorization, a school may use current-year funds to satisfy prior award year for a total of not more than $200.

Prior-Year Recoveries Funds a school collects in a given award year from money disbursed in prior award years. Schools must adjust award expenditures and administrative cost allowances (ACAs) in an award years in which recoveries are made.

Private Education Loan A loan provided by a private educational lender that is not a federal student aid loan and that is issued expressly for postsecondary education expenses to a borrower, regardless of whether the loan is provided through the educational institution that the student attends or directly to the borrower from the private educational lender.

Proceeds The amount received from a loan or realized from a financial transaction.

Professional Counselor A person whose official responsibilities include providing mental health counseling to members of the institution's community and who is functioning within the scope of his or her license or certification.

Professional Degree A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Program Offered in Modules A program in a payment period or period of enrollment, in which one or more courses in the program do not span the entire length of the payment period or period of enrollment.

Program Participation Agreement (PPA) The agreement between the Department of Education and a school that affirms the school has been approved to participate in the federal student aid programs. A program participation agreement conditions the initial and continued participation of an eligible institution in any federal student aid program on compliance with the all applicable regulations, and any additional conditions specified in the program participation agreement that the Department requires the institution to meet. An institution's program participation agreement applies to each branch campus and other location of the institution that meets the applicable requirements of this part unless otherwise specified by the Department.

Program Records A school's application for federal student aid funds and other records that document

- a school's eligibility to participate in the federal student aid programs;
- the eligibility of a school's educational programs for federal student aid program funds;
- the school's administration of the federal student aid programs in accordance with all applicable requirements;
- the school's financial responsibility;
- all information included in any application for federal student aid program funds made by the school; and
- the school's disbursement and delivery of federal student aid program funds.

Program Review A routine investigation by the Department of schools to ensure that they are properly administering the Title IV programs. Program reviewers will, among other actions, analyze school records, identify weaknesses, and set forth corrective measures.

Programmatic Accrediting Agency An agency that accredits only individual educational programs that prepare students for entry into a profession, occupation, or vocation. A school may be accredited by one or more programmatic accrediting agencies. Cf. primary accrediting agency.

Promissory Note A legally binding contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan is to be repaid. It becomes legally binding when signed (executed) by the borrower. Most federal education loans are made under a Master Promissory Note (MPN).

Proof of Cash A reconciliation of the general ledger cash balance at both the beginning and end of a period, combined with a reconciliation of cash deposited for the period with the cash receipts journal, and a reconciliation of checks for the period with the cash disbursements journal.

Proprietary Institution of Higher Education One of three types of institutions eligible for participation in the Federal Student Aid programs. The others are an *institution of higher education*, and a *postsecondary vocational institution*. For a more information see 34 CFR 600.5.

Proration Assigning institutional charges or Title IV assistance to a specific time period. For example: Title IV assistance can be prorated to the period for which it is received or the period for which it was intended; institutional charges can be prorated to the period in which they are incurred or the amount retained by the school for a period.

Prospective Employee An individual who has contacted an eligible institution for the purpose of requesting information concerning employment with that institution.

Prospective Student An individual who has contacted an eligible institution requesting information concerning admission to that institution.

Provisional Certification The status that the Department may permit a proprietary or private nonprofit school to participate under for up to three years. The Department may permit a school to participate under provisional certification if the school is not financially responsible because it does not satisfy the general standards, has an unacceptable audit opinion or has a past performance problem that has been resolved. In such cases the school will need to

- submit to the Department a letter of credit, payable and acceptable to the Department, for a percentage (10%–100%) of the FSA program funds received by the school during its most recent fiscal year and
- demonstrate that it has met all of its financial obligations and was current on its debt payments for its two most recent fiscal years.

PRR Program Review Report

Public Interest Work Work performed for the welfare of the nation or a community rather than work performed for a particular interest or group.

Public Property All public property, including thoroughfares, streets, sidewalks, and parking facilities, that is within the campus, or immediately adjacent to and accessible from the campus.

Published Length of a Program The length of an individual academic program in weeks of instructional time and credits or clock hours as described in a school's literature, and accreditation documents and agreements with the Department.

Q

QA Quality Assurance Program (Authorized by Section 487A of the HEA)

QC Quality Control

Quality Assurance Program (QA Program) FSA Program that helps schools attain, sustain, and advance exceptional student aid delivery and service excellence. You can find it at ifap.ed.gov/qahome/Default.html.

Qualified Education Benefit A qualified tuition program (as in the Internal Revenue Code of 1986) or other prepaid tuition plan offered by a state; and a Coverdell education savings account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986).

Qualified Opinion (Auditor's) Auditor's statement that, except for the effects of the matter to which a qualification relates, the financial statements fairly present financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. (See also *Unqualified Opinion*.)

Qualified Professional Provider of Early Intervention Services A provider of services as defined in section 632 of the Individuals with Disabilities Education Act (IDEA).

Qualifying National Guard Duty Service as a member of the National Guard on full-time National Guard duty under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days in connection with a war, other military operation, or a national emergency declared by the President and supported by federal funds.

Quality Assurance Program (QA Program) A program authorized under Section 487A of the Higher Education Act (HEA) of 1965, as amended in 1998 that allows schools to develop their own verification criteria in lieu of verifying applicant selected by the Department. The QA process allows schools to focus on applicants who make changes that effect their EFC and FSA eligibility based on the analysis the school conducts using the ISIR Analysis Tool.

R

R2TIV Return of Title IV Funds (process also seen as R2T4)

Ratio The relation between two quantities expressed as the quotient of one divided by the other. The ratio of 8 to 2 is written 8/2 and equals 4. Financial statement ratios are used as analytical procedures in audits.

RCCC Research and Customer Care Center (FSA call center for schools)

RDE Recipient Data Exchange

Reallocated FWS Funds FWS funds that were initially awarded to one participating institution that are returned to the Department and re-awarded to another participating institution.

Reasonable Assurance A judgment based upon all available information that the systems of internal controls are operating in accordance with Federal Managers Financial Integrity Act of 1982 (FMFIA).

Recalculation One or more additional determinations (after the initial calculation or disbursement) of a student's eligibility for a Pell Grant or other Title IV aid, because of changes in one or more of the factors on which the student's award was based e.g., EFC, enrollment status, dependency, etc.

Recertification The process through which a school that is presently certified to participate in the FSA programs applies to have its participation extended beyond the expiration date of its current Program Participation Agreement (PPA). (A school may be certified to participate for up to six years.) The Department will notify a school six months prior to the expiration of its PPA, and the school must submit a complete application before the expiration date.

Receiving Entity An entity to which functions are transferred.

Recipient of Title IV Grant or Loan Assistance A student for whom the requirements of 34 CFR 668.164(g)(2) have been met.

Recognize (a financial transaction) Formally recording or incorporating an item into the financial statements of an entity as an asset, liability, revenue, expense, or the like. Recognition includes determining the amount, timing, classification, and other conditions precedent to the acceptance and entry of a transaction. Recognition includes both initial recognition of an item and recognition of subsequent changes in or removal of a previously recognized item.

Recognized Equivalent of a High School Diploma The following are the equivalent of a high school diploma

- a General Education Development Certificate (GED);
- a state certificate received by a student after the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- an academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- for a person who is seeking enrollment in an educational program that leads to at least an associate degree or its equivalent and who has not completed high school but who excelled academically in high school, documentation that the student excelled academically in high school and has met the formalized, written policies of the institution for admitting such students.

Recognized Occupation An occupation that is

- identified by a Standard Occupational Classification (SOC) code established by the Office of Management and Budget or an Occupational Information Network O*NET-SOC code established by the Department of Labor and available at online.onetcenter.org or its successor site; or
- determined by the Department of Education in consultation with the Department of Labor to be a recognized occupation.

Reconciliation A process in which financial records are compared and discrepancies resolved. Monthly reconciliation is required in most federal student aid programs.

Reconciliation (in the Direct Loan Program) Required monthly comparison the funds schools have received (from the G5 system to pay its students) with the actual disbursement records submitted to the Common Origination and Disbursement (COD) system. Schools are also required to complete a final reconciliation of their Direct Loan accounts (year-end closeout).

Record (v.) To give expression to a transaction on (or in) the books of account; to enter.

Recourse The rights of a holder in due course of a financial instrument (such as a loan) to force the endorser on the instrument to meet his or her legal obligations for making good the payment of the instrument if dishonored by the maker or acceptor.

Red Flags Rule Issued by the Federal Trade Commission (FTC), in concert with other federal agencies, these regulations require financial institutions and creditors to develop and implement a written identity theft prevention program to detect, prevent, and respond to patterns, practices, or specific activities that may indicate identity theft. The "Red Flags Rule" applies to institutions participating in the Federal Perkins Loan Program and may apply to other credit programs administered by an institution and to institutionally-mandated accounts into which students Title IV credit balances are deposited.

Refund The return of interest or excess cash to the Department from G5 drawdowns or the return of audit and program review liabilities and fines. Often incorrectly used by schools to refer to a school's distribution of a FSA credit balance to a student.

Refund Policy The published institutional, state, or accrediting agency formula a school applies when a student withdraws or otherwise ceases attendance to determine whether funds paid by, or on behalf of the student must be returned to the payee.

Refund Reserve Standard One of the standards that a school must satisfy to be considered financially responsible is that it must have sufficient cash reserves to return federal student aid funds when a student withdraws.

Regular Student A person who is enrolled or accepted for enrollment in an eligible program at an eligible institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. A school must document that an aid recipient is a regular student.

Rehabilitation (of a defaulted loan) Process by which a borrower may bring a loan out of default by adhering to specified repayment requirements.

Reimbursement Payment Method The most restrictive heightened cash management payment plan. Under reimbursement, the FSA School Participation Team initiates a drawdown through G5 on behalf of a school or direct cash payments are deposited in the school's bank account based on actual disbursements submitted to and accepted by the COD System.

Reinstatement (of borrower FSA eligibility) A process by which a borrower who has outstanding debts to the Department or has a defaulted FSA loan regains eligibility for FSA funds by satisfying the debt, paying off the loan, or agreeing to and adhering to strict repayment requirements.

Reject Codes Alphabetic and numeric codes for the problems found with a student's FAFSA. When there is a reject, no EFC is generated and the reason for the reject must be addressed. Alphabetic codes indicate reject reasons that are verifiable, that is, the student can verify the questionable value by re-entering it if it is correct or changing it if it is wrong. Numeric reject codes are not verifiable—the questioned data must be changed (or provided if the field was left blank).

Related Parties Those with whom the client has a relationship that might destroy the self-interest of one of the parties (accounting is based on measurement of arm's length transactions). Related parties include affiliates of the client, principle owners, management (decision makers who control business policy), and members of their immediate families.

Release Record A record that changes an anticipated disbursement to an Actual Disbursement Record. Schools using the Common Record submit a new record with the DRI set to True.

Religious Institution A school that is owned, controlled, operated, and maintained by a religious organization lawfully operating as a nonprofit religious corporation; and awards only religious degrees or certificates including, but not limited to, a certificate of Talmudic studies, an associate of Biblical studies, a bachelor of religious studies, a master of divinity, or a doctor of divinity.

Remaining Eligibility Period (Direct Loan) The difference, measured in academic years, between the borrower's maximum eligibility period and the sum of the borrower[1]s subsidized usage periods.

Remaining Eligibility (Pell) The percentage of a student's Pell Grant Scheduled Award that has not yet been disbursed for an award year.

Remedial Coursework Coursework that prepares a student for study at the postsecondary level. A student enrolled solely in remedial coursework is not eligible for Title IV aid, however, if a student is enrolled in an eligible program which contains some remedial coursework, he/she can be considered a regular student and potentially eligible for Title IV aid, even if he is taking all remedial courses before taking any regular courses.

Renewal FAFSA The application, available on the FOTW site, that contains pre-filled information taken from the student's valid application the previous year.

Repayment Period The time during which a borrower is obligated to make payments on a loan according to the terms and conditions of the loan's promissory note and the repayment plan the borrower chooses. For Direct Subsidized Loans and Direct Unsubsidized Loans, repayment begins the day after the grace period ends. For Direct PLUS Loans, repayment begins the day after the loan is fully disbursed.

Repayment Plan An arrangement made to repay a loan or other financial obligation. Repayment plans vary substantially among federal education loans. (See *Direct Loan Repayment Plan*.)

Repeated Coursework Courses in which a student has enrolled previously and is enrolled again.

Reportable Condition (financial reporting) A control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements, or other significant financial reports, that is more than inconsequential will not be prevented or detected.

Reportable Condition (overall) A control deficiency or combination of control deficiencies that should be communicated because they represent significant weaknesses or deficiencies in the design or operation of internal control that could adversely affect the organization's ability to meet its internal control objectives.

Reporting School The school that sends and receives data for the campuses or students it serves. The Reporting School must be a school and cannot be a 3rd Party Servicer.

Response The Common Record document sent back to the school after processing of an incoming Common Record document is complete. This Common Record contains processing results and edit codes.

Retiree (in the TEACH Program) An individual who has decided to change his or her occupation for any reason and who has expertise, as determined by the institution, in a high-need field.

Retroactive Disbursement A disbursement for a payment period or period of enrollment that has ended.

Return of Title IV Funds (R2T4/Return) The calculation required when a recipient of Title IV aid withdraws from an institution during a payment period/period of enrollment in which the recipient began attendance. The calculation compares the amount of Title IV aid the recipient earned to the amount disbursed and determines whether funds must be returned, or the student is eligible for a post-withdrawal disbursement.

Returning Funds The transfer or repayment of FSA funds required when a school must correct an overaward or an overpayment, and the return of funds that may be required when a student withdraws or otherwise ceases attendance during a payment period or period of enrollment.

Revenue Adjustment A contra revenue account that is used to report reduction in revenue when realization is not probable (less likely than not).

Revolving Fund A fund consisting of permanent appropriation and expenditures of collections, that are earmarked to finance a continuing cycle of business-type operations. A school's Perkins Loan fund is a revolving fund.

Risk The possibility of an act or event occurring that would have an adverse effect on the organization and its information systems.

Risk Assessment A prioritization of potential business disruptions based on severity and likelihood of occurrence. The risk assessment includes an analysis of threats based on the impact to the institution, its customers, and financial markets, rather than the nature of the threat.

Roster File The output document from the Enrollment Reporting process. The Roster File lists all Direct Loan Program borrowers at a school who were last reported as enrolled. Formerly known as Student Status Confirmation Report (SSCR). (See also *Enrollment Reporting Roster File*.)

ROTW Renewal FAFSA on the Web

Routing Identifier An identifier established by the U.S. Department of Education in Award as an identifier assigned to schools and third-party Servicers that is common across the Pell Grant and Direct Loan programs. It is a randomly generated eight-digit number that replaces the Pell Institution Number and Direct Loan (E/G) School code for the reporting of Pell Grant and Direct Loan data. It was previously referred to as the Common School Identifier (CSID).

S

SAIG Student Aid Internet Gateway (successor to Title IV Wide Area Network [TIV WAN])

SAM System for Award Management (federal procurement systems)

SAP Satisfactory Academic Progress

SAR See *Student Aid Report.*

SAR Acknowledgement An output document similar to the SAR but which has fewer and less detailed comments and can't be used for corrections as the SAR can. Students receive one when they apply electronically and don't provide an e-mail address.

SAS Direct Loan School Account Statement (also, AICPA Statements on Auditing Standards)

Satisfactory Academic Progress (SAP) A required measurement of a student's academic progress towards their academic goal. Progress must be measured by both grade-based (qualitative) and time/pace of completion (quantitative) standards. For programs lasting one year or less, SAP must be assessed at the end of each payment period. For programs lasting more than one year, SAP must be assessed annually (corresponding with the end of a payment period). SAP must be measured cumulatively.

Satisfactory Repayment Arrangement For purposes of regaining eligibility for federal student aid funds, the agreement of an individual or borrower to make a predetermined number of on-time, voluntary monthly payments on a defaulted loan, or an overpayment of federal student aid. For the purpose of consolidating a defaulted loan, the making of three consecutive, voluntary, on-time, full monthly payments on a defaulted loan. The required monthly payment amount may not be more than is reasonable and affordable based on the borrower's total financial circumstances. A borrower may only obtain the benefit of this paragraph with respect to renewed eligibility once.

SAY Scheduled Academic Year

Scheduled Academic Year (SAY) A traditional academic year calendar as published in a school's catalogue or other materials. An SAY is a fixed period of time that begins and ends at a fixed time and is used to measure annual loan limit progression.

Scheduled Award (in the TEACH Program) The maximum amount of a TEACH Grant that a full-time student could receive for a year.

Scheduled Break An interruption in training that appears on a school's published calendar. In the Return of Title IV Aid, institutionally scheduled breaks of five or more consecutive days are excluded from the Return calculation as periods of nonattendance and therefore do not affect the calculation of the amount of earned FSA program funds.

Scheduled Federal Pell Grant Award (Scheduled Award) The amount of a Federal Pell Grant which would be paid to a full-time student for a full academic year.

School Closeout The process of identifying and submitting any outstanding records for an award year and returning any money for which there are no records to substantiate its use.

School Participation Teams Department of Education personnel in the regions and in Washington, DC, who are assigned a portfolio of schools. Each team is responsible for oversight functions for the schools in its portfolio. These functions include audit resolution, program reviews, financial statement analysis, initial eligibility and recertification, and method of payment.

School Serving Low-Income Students (low-income school) (in the TEACH Program) An elementary or secondary school that

- is in the school district of a local education agency (LEA) that is eligible for assistance pursuant to title I of the Elementary and Secondary Education Act (ESEA);
- has been determined by the Department to be a school in which more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under title I of the ESEA; and
- is listed in the Department's Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits. The Department considers all elementary and secondary schools operated by the Bureau of Indian Education (BIE) in the Department of the Interior or operated on Indian reservations by Indian tribal groups under contract or grant with the BIE to qualify as schools serving low-income students.

School Transfer Profile The information a school provides to the NSLDS pertaining to its participation in the Transfer Student Monitoring Process. The profile designates the school's contact, email address where Alert Notification Messages should be sent, and Inform and Alert options.

Secondary Confirmation A type of citizenship match test done by the Department of Homeland Security's Office of Citizenship and Immigration Services (USCIS) when primary confirmation does not satisfactorily resolve a student's status. If a student's eligible noncitizen status is not confirmed in DHS's automated Primary match, the student's record is held at DHS for up to three days to check other DHS databases for a match.

Secondary School A school that provides secondary education, as determined by (a) state law; or (b) the Department, if the school is not in a state. However, state laws notwithstanding, secondary education does not include any education beyond grade 12.

Section 529 Plans Qualified tuition programs that offer tax benefits and enable individuals to save money for a student's college education. They are covered in section 529 of the IRS tax code, hence the name.

Segregation or *Separation of Duties* or *Function* The requirement that schools must separate the functions of authorizing payment and disbursing or delivering funds so that no single person or office exercises both functions for any student receiving FSA funds. Separation of function is a preventive control.

Selective Service A federal agency system that collects the names of male U.S. citizens and male immigrant non-citizens between the ages of 18 and 25 on a list for potential conscription into the U.S. military. Males in this age group must register with Selective Service to receive Title IV aid. The CPS performs a match with the Selective Service System to determine if students are registered.

Selective Service Match Flag The result on a SAR/ISIR of the Selective Service (SS) match, which determines whether relevant applicants are registered with the SS.

SE9W A credit-hour program that has nonstandard terms which all terms are substantially equal in length, and each term is at least 9 weeks in length.

SEOG See FSEOG

SEOG First Selection Group Students with the lowest expected family contributions (EFC) who will also receive Pell Grants in an award year at a school. A school must make SEOG awards to all students in its first selection group before awarding SEOG funds to students in its second selection group.

SEOG Second Selection Group Students with the lowest EFCs who are not receiving Pell Grants. If a school has SEOG funds remaining after making awards to all its Pell Grant recipients for the award year, it may make SEOG awards to students in the second selection group.

Show-Cause Official The designated Department official authorized to conduct a show-cause proceeding for an emergency action under 34 CFR 668.83.

SID Student Identifier in COD

Simplified EFC Formulas A variation of the regular EFC formulas that does not use assets in calculating the EFC. The simplified formulas are used when an independent student or a dependent student's parents have income below a specific threshold (< $50,000) and meet one of a group of other criteria, such as not needing to file a Form 1040 U.S. tax return. See *Automatic Zero EFC*. For a detailed explanation of Simplified EFC Formulas and Tests see the Higher Education Act, as amended, Part F, Section 479.

Significant Risk An identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration.

Single Year (SY) *Feature* The option that allows schools or borrowers not to use the Multi-Year Feature of the Master Promissory Note. If a school or borrower chooses to use this feature, a new promissory note must be signed each academic year.

SSN Match A CPS data match performed to confirm a student's identity and citizenship status, as part of the process of establishing student eligibility. See S*ocial Security Number*.

Social Security Number (SSN) A nine-digit number issued to U.S. citizens, permanent residents, and temporary (working) residents. Applicants submitting a FAFSA must have a valid Social Security Number. SSNs are matched with the Social Security Administration. Students from the Freely Associated States do not usually have SSNs, but may receive some forms of aid. See *Freely Associated States* for more information.

SNT Simplified Needs Test

SOA Statement of Account

SPD School Participation Division

Special Combat Pay Pay received by a member of the Armed Forces because of exposure to a hazardous situation.

Special Journals Journals other than the general journal. Special or specialized journals include the cash receipts journal, the cash disbursements journal, the purchases journal, and the sales journal.

Specified year The calendar year preceding the first calendar year of an award year, i.e., the base year; or the year preceding the base year.

Speech Language Pathologist with a Master's Degree An individual who evaluates or treats disorders that affect a person's speech, language, cognition, voice, swallowing and the rehabilitative or corrective treatment of physical or cognitive deficits or disorders resulting in difficulty with communication, swallowing, or both and has obtained a postgraduate academic degree awarded after the completion of an academic program of up to six years in duration, excluding a doctorate or professional degree.

SSA Social Security Administration

SSA Citizenship Code Code on SAR indicating the results of the citizenship match with Social Security Administration (SSA). The data for this field comes from the SSA Citizenship Flag field in the ISIR record layout.

SSAE AICPA Statements on Standards for Audit Attestation Engagements

SSI Supplemental Security Income

SSN Social Security number

SSN/Name/Date of Birth Change Report A report (separately for each program) sent to all schools whose students in the Pell, Direct Loan, and TEACH Grant programs have had changes to their identifiers (SSN, name, or date of birth). Changes can originate at your school; at another school attended by the student and in some cases (SSN change) by the Direct Loan Servicer.

SSS Student Support Services (A Title IV TRIO program), also Selective Service System

Standard of Conduct An institution must exercise the level of care and diligence required of a fiduciary with regard to managing title IV, HEA program.

Standard Term An academic or payment period that is generally 15 to 17 weeks long. Semester-based academic calendars traditionally have two terms, in the fall and spring, and trimester-based academic calendars traditionally have three terms, in the fall, spring, and summer.

State A State of the Union, American Samoa, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. The latter three are also known as the Freely Associated States. An institution is physically located in a state if it has a campus or other instructional site in that state.

State Education Agency The State board of education; or an agency or official designated by the Governor or by State law as being primarily responsible for the State supervision of public elementary and secondary schools.

Statement of Financial Position One of the main financial statements of a nonprofit organization. This financial statement reports the amounts of assets, liabilities, and net assets as of a specified date. This financial statement is similar to the balance sheet issued by a company.

Statutory Interest Rate The maximum annual interest rate (under the Higher Education Act) that may be charged on a FSA loan.

STEM Science, Technology, Engineering and Math

Stored Value Card A prepaid debit card that can be used to withdraw cash from an automated teller machine (ATM) or to purchase goods from a merchant. A school may use stored-value cards as a way to make direct payments to students of FSA credit balances. We distinguish a stored-value card from a traditional debit card by defining a stored-value card as not being linked to a checking or savings account.

Student Aid Application An application approved by the Department and submitted by a person to have his or her EFC determined under the Federal Pell Grant, ACG, National SMART Grant, Federal Perkins Loan, FWS, FSEOG, Federal Stafford Loan, or William D. Ford Federal Direct Loan programs. See *Free Application for Federal Student Aid*.

Student Aid Internet Gateway (SAIG) The internet-based tool that allows Federal Student Aid trading partners to securely exchange batch data with Federal Student Aid Application Systems. Through SAIG, organizations are eligible to enroll to exchange and access data with:

- CPS (ISIR batch data, FAA Access to CPS Online services)
- COD (Exchange Direct Loan, Pell, Iraq Afghanistan Service Grant, TEACH Grant batch data, COD Online services)
- FISAP (electronic Campus-Based system (eCB))
- NSLDS (Enrollment Rosters, Electronic Cohort Default Rate (eCDR), NSLDS Online services)
- FMS (Lender Reporting System/Guaranty Agency Financial Reports)
- CSB (Direct Loan Delinquency Reports, Borrower Services)

Student Aid Report (SAR) A report provided to an applicant by the Department showing the applicant's FAFSA information and the amount of his or her EFC. SARs are the paper or electronic (eSAR) output documents that are sent to students or printed from the FAFSA on the Web and FAA Access to CPS Online Web sites. SARs and ISIRs contain the same processed student information in different formats.

Student Ledger Account A bookkeeping account maintained by an institution to record the financial transactions pertaining to a student's enrollment at the institution.

Student Loan Interest Statement (1098-E) Documentation of interest paid on a federal education loan provided by a financial institution, loan servicer, or school to the borrower.

Student Services Services that are offered to students that may include, but are not limited to, financial aid, library, peer guidance counseling, job placement, assisting an instructor with curriculum-related activities, security, and social, health, and tutorial services. Student services do not have to be direct or involve personal interaction with students. For purposes of this definition, facility maintenance, cleaning, purchasing, and public relations are never considered student services.

Student with an Intellectual Disability A student with mental retardation or a cognitive impairment characterized by significant limitations in

- intellectual and cognitive functioning; and
- adaptive behavior as expressed in conceptual, social, and practical adaptive skills.

A student who is currently, or was formerly, eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401), including a student who was determined eligible for special education or related services under the IDEA but was home-schooled or attended private school.

Study Abroad Program A program in which a student enrolled in a U.S. school takes classes at a foreign one. A participating institution may establish study-abroad programs for which students may receive FSA funds. A study-abroad program is eligible if the home school awards academic credit for it and students in it remain concurrently enrolled at their home school.

Subsidiary Accounts Accounts outside of the general ledger which provide the detail for the balance reported in a general ledger account. (The account in the general ledger is known as the control account.) The total of the subsidiary accounts or records must agree to the balance in the general ledger control account.

Subsidiary Ledger Record of the details to support a general ledger account. The general ledger account is often referred to as the control account. For example, the accounts receivable subsidiary ledger provides the details to support the balance in the general ledger control account Accounts Receivable.

Subsidized Usage Period (Direct Loan) A period of time measured in academic years and rounded down to the nearest tenth of a year calculated as: (Number of days in the borrower's loan period for a Direct Subsidized Loan divided by number of days in the academic year for which the borrower receives the Direct Subsidized Loan).

Substantial Gainful Activity A level of work performed for pay that involves doing significant physical or mental activities or a combination of both. A student must have a certification from a physician that they are unable to perform such to be classified as totally and permanently disabled for Title IV purposes. See *Total And Permanent Disability Discharge*.

Substantially Equal in Length Academic or payment periods are substantially equal in length if no period in the program is more than two weeks of instructional time longer than any other period in that program.

Substantial Gainful Activity A level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both. See *Total and Permanent Disability*, and *Total And Permanent Disability Discharge*.

Substantial Misrepresentation Any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment.

Substantiate The act of accounting for funds already drawn. In the COD Process, institutions can substantiate funds by sending in an Actual Disbursement Record.

Successfully Complete Earning a passing grade and completing the instructional time associated with the credit or clock hours.

SULA Subsidized Usage Limit Applies (in the DL Program)

Supplemental Allocation For the Campus-Based Programs, an additional amount of Campus-Based funds from the Department that is reallocated from the amount of unused Campus-Based funds returned from the previous award year by participating schools.

Suspension (of participation) The removal of a school's or third-party servicer's eligibility to participate in the federal student aid programs, for a specified period of time or until the school or servicer fulfills certain requirements.

Suspension Period One of the award periods in G5. The suspension period is one month long and follows liquidation. Once an FSA program has entered the suspension period, no payment actions can take place without the approval of the program office. The Department program offices use this period to prepare for final closeout.

SY Single-Year feature of Direct Loan promissory notes

System for Award Management (SAM) A website operated by the General Service Administration's (GSA) Office of the Integrated Award Environment (IAE) that consolidates Central Contractor Registration (CCR), Online Representations and Certifications Application (ORCA), Federal Agency Registration (FedReg), and Excluded Parties List System (EPLS). An active SAM account is needed in order to submit an application for a federal grant, receive and manage federal funds or to register as a vendor or federal contractor.

T

T-account A visual aid used by accountants to illustrate a journal entry's effect on the general ledger accounts. Debit amounts are entered on the left side of the "T" and credit amounts are entered on the right side.

TANF Temporary Assistance for Needy Families

Tax Identification Number (TIN) Unique nine-digit number assigned to a grantee organization and used to report activity to the Internal Revenue Service. In other words, the TIN is the grantee's social security number.

Tier 1 Arrangement (T1 Arrangement) A contractual agreement between an institution and a third-party servicer under which the servicer performs one or more of the functions associated with processing direct payments of title IV, HEA program funds on behalf of the institution to one or more financial accounts that are offered under the contract or by the third-party servicer, or by an entity contracting with or affiliated with the third party servicer to students and their parents.

Tier 2 Arrangement (T2 Arrangement) A contractual agreement between an institution and a financial institution or entity that offers financial accounts through a financial institution, under which financial accounts are offered and marketed directly to students or their parents.

TEACH Teacher Education Assistance for College and Higher Education

TEACH Grant See *Teacher Education Assistance for College and Higher Education* (TEACH) *Grant Program* .

TEACH Grant Counseling The required process of advising a potential TEACH Grant recipient about the full nature of the TEACH program, the service agreement and their obligations based upon receiving a TEACH Grant.

TEACH Grant-Eligible Institution An eligible institution as defined in 34 CFR part 600, 34 CFR part 668, subpart L, or 34 CFR 668.175, and that also fulfills the requirements of 34 CFR 686.2.

TEACH Grant-Eligible Program An eligible program, as defined in 34 CFR 668.8, is a program of study that is designed to prepare an individual to teach as a highly-qualified teacher in a high-need field and leads to a baccalaureate or master's degree, or is a post-baccalaureate program of study. A two-year program of study that is acceptable for full credit toward a baccalaureate degree is considered to be a program of study that leads to a baccalaureate degree.

Teacher A teacher is a person who provides

- direct classroom teaching;
- classroom-type teaching in a non-classroom setting; or
- educational services to students directly related to classroom teaching such as school librarians or school guidance counselors.

A supervisor, administrator, researcher, or curriculum specialist is not a teacher unless he or she primarily provides direct and personal educational services to students.

Teacher (in the TEACH Program) A person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers and reading specialists.

Teacher Certification Coursework Courses in a required for teacher certification or recertification in the state where the student plans to teach. Must be offered in credit or clock hours (courses using direct assessment in lieu of credit or clock-hour programs are not eligible). A student may be potentially eligible for Direct Loans, Perkins Loans, and a parent may receive Direct PLUS Loans on behalf of a student for at least one-half-time enrollment in teacher certification coursework, even if it does not lead to a degree or certificate. See also *Non-Credential Teacher Certification Program Coursework*.

Teacher Education Assistance for College and Higher Education (TEACH) *Grant Program* A grant program authorized by Title IV of the HEA under which grants are awarded by an institution to students who are completing, or intend to complete, coursework to begin a career in teaching and who agree to serve for not less than four years as a full-time, highly-qualified teacher in a high-need field in a low-income school. If the recipient of a TEACH Grant does not complete four years of qualified teaching service within eight years of completing the course of study for which the TEACH Grant was received or otherwise fails to meet the requirements of 34 CFR 686.12, the amount of the TEACH Grant converts into a Federal Direct Unsubsidized Loan.

Teacher Preparation Program (in the TEACH Program) A state-approved course of study, the completion of which signifies that an enrollee has met all the state's educational or training requirements for initial certification or licensure to teach in the state's elementary or secondary schools. A teacher preparation program may be a regular program or an alternative route to certification, as defined by the state. For purposes of a TEACH Grant, the program must be provided by an institution of higher education.

Teaching in a Field of Expertise The majority of classes taught are in the borrower's field of expertise.

Teach-Out Plan A written plan developed by an institution that provides for the equitable treatment of students if an institution, or an institutional location that provides 100 percent of at least one program, ceases to operate before all students have completed their program of study, and may include, if required by the institution's accrediting agency, a teach-out agreement between institutions.

Telecommunications Course A course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, satellite, audio conferencing, computer conferencing, video cassettes, or discs. The term "telecommunications" does not include a course that is delivered using video cassettes or disc recordings unless the institution also delivers comparable instruction offered on the cassettes or discs to students physically attending classes at the institution during the same award year. If the course offered in the manner described above does not qualify as a telecommunications course, it is considered to be a correspondence course.

Temporarily Totally Disabled The condition of an individual who, though not totally and permanently disabled, is unable to work and earn money or attend school, during a period of at least 60 days needed to recover from injury or illness. With regard to a disabled dependent of a borrower, this term means a spouse or other dependent who, during a period of injury or illness, requires continuous nursing or similar services for a period of at least 90 days.

*Termination (*of participation*)* The removal of a school's or third-party servicer's eligibility to participate in the federal student aid programs, for an indefinite period of time.

Testing (of controls) Verifying the effectiveness of controls in operation by determining if they are, in fact, operating as intended, meeting the control objectives, and reducing risks. Testing may take several forms including document analysis, transaction testing, observation, or interview.

TFA Two-Factor Authentication

TFAP Training for Financial Aid Professionals

TFCS Treasury Financial Communications System

Third-party Servicer Any individual, any State, or any private, for-profit or nonprofit organization which enters into a contract with

- any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs under this title; or
- any guaranty agency, or any eligible lender, to administer, through either manual or automated processing, any aspect of such guaranty agency's or lender's student loan programs, including originating, guaranteeing, monitoring, processing, servicing, or collecting loans.

Three-Day Rule A school must disburse FSA funds received under the advance payment method as soon as administratively feasible but no later than three business days following the date the school received those funds.

Three-Quarter Time Student An enrolled student who is carrying a three-quarter-time academic workload, as determined by the institution, that amounts to at least three quarters of the work of the applicable minimum requirement outlined in the definition of a full-time student.

TIN Taxpayer Identification Number

Title I Children Children ages 5 through 17 who are counted under section 1124(c)(1) of the Elementary and Secondary Education Act of 1965, as amended.

Title IV or *Federal Student Aid* (FSA) *Credit Balance* The balance that results when an institution disburses federal student aid funds by crediting a student's account and the total amount of all federal student aid funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student.

Title IV, HEA Program Financial aid programs for postsecondary students, authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA) and administered by the U.S. Department of Education and listed in 34 CFR 668.1(c). Also known as the federal student aid programs.

Title IV Recipient A student who has actually received Title IV funds, or has met the conditions that entitle a student to a late disbursement.

TIV Title IV of the Higher Education Act (HEA)

TO Training Officer

Total Eligibility Used The sum of all Eligibility Used (EU) for the Award Year.

Totally and Permanent Disabled Condition of an individual who

- is unable to engage in substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of at least 60 months; or can be expected to last for a continuous period of at least 60 months; or
- has been determined by the Department of Veterans Affairs (VA) to be unemployable due to a service-connected disability.

Total and Permanent Disability Discharge Loan discharge granted to a borrower who meets the definition of totally and permanent disability.

Total Income Adjusted gross income plus untaxed income and benefits for the preceding tax year minus excludable income. For a detailed explanation of Total Income see the Higher Education Act, as amended, Part F, Section 480(a).

Total Monthly Gross Income The gross amount of income received by a borrower from employment (either full-time or part-time) and from other sources. It is used to determine the amount of the monthly payment a federal student aid loan borrower must make under certain repayment plans.

TPD Total and Permanent Disability (usually modifies "discharge")

Trailer A summer term in which Pell Grant awards are funded from the award year. See also *Header*.

Transfer Student A student who withdraws or graduates from one school and enrolls at another school. See also *Transfer Monitoring*.

Transfer (student) Monitoring Process through which schools send student information to NSLDS for NSLDS so the schools can be notified of relevant changes to a student's financial aid history and eligibility.

Transfer Student Monitoring School Transfer Profile (in NSLDS) A webpage that displays information about the school for the Transfer Student Monitoring process. The page includes how a school is set up to submit Inform files, length of time for monitoring, and designation for alert notifications. This information is provided and updated by school users, and must be completed prior to submitting your school's first Inform.

Transaction Any submission to the CPS by a financial aid applicant or a school of an application or changes to it. Each transaction results in a new ISIR and SAR and is identified by a two-digit transaction number (for example, 01, 02, or 03). The initial FAFSA submission and SAR/ISIR for the award year is the first transaction and therefore has the transaction number 01.

Transaction Receipt Date The date the FAFSA processor or the CPS received the input information that generated the transaction. The Transaction Receipt Date changes with each new transaction. The date the FAFSA Processor or CPS received the initial submission of the FAFSA (the first transaction) is known as the Application Receipt Date and is fixed.

Transfer of Campus-Based Funds To help meet their students' need, schools may transfer funds from certain Campus-Based Programs into certain other Campus-Based Programs. The Department's permission is not required; however specific guidelines must be followed and reported on the FISAP.

Trial Balance A statement of open debit and credit accounts in a ledger to test their equality. The total of the amounts in the debit column should equal the total of the amounts in the credit column.

Tribal College or University An institution that

- qualifies for funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978 or the Navajo Community College Assistance Act of 1978; or
- is cited in section 532 of the Equity in Education Land Grant Status Act of 1994.

Two-Year Rule for New Proprietary or Vocational Schools The requirement that new proprietary or postsecondary vocational institutions must be legally authorized to give (and have continuously been giving) the same postsecondary instruction for at least two consecutive years prior to their application to participate in the Title IV programs.

Two Plus Two Program A partnership between a two-year and a four-year school that facilitates students completing the last two years of their four-year degree.

U

UCC Uniform Commercial Code (as in UCC-1 Statement)

UCC-1 Form Document a school is required to submit when the account that holds a school's FSA funds does not include the phrase federal funds in its name. Public institutions are exempt from the requirement.

Unbooked Loan A Direct Loan that does not have an accepted actual disbursement and/or is not linked to an accepted Direct Loan Promissory Note.

Unbooked TEACH Grant A TEACH Grant that does not have an accepted actual disbursement or is not linked to a TEACH Grant *Agreement to Serve*.

Undergraduate Student A student who

- is enrolled in an undergraduate course of study that usually does not exceed four years, or is enrolled in a longer program designed to lead to a degree at the baccalaureate level. In general, a student is only considered an undergraduate for purposes of the Federal Student Aid programs if the student has not yet earned a baccalaureate or professional degree;
- has completed a baccalaureate program of study and who is subsequently completing a state-required teacher certification program;
- for purposes of dual degree programs that allow individuals to complete a bachelor's degree and either a graduate or professional degree within the same program, is in at least the first three years of that program; or
- is enrolled in a four to five year program designed to lead to an undergraduate degree. A student enrolled in a program of any other, longer length is considered an undergraduate student for only the first four years of that program.

Unearned Aid For Return of Title IV Funds purposes, the amount determined by subtracting the federal student aid earned by a student for the payment period or period of enrollment, as applicable, from the federal student aid disbursed to the student for that period.

Unprocessed Deobligations Negative available balances in the Pell Grant program that are generally created when a school submits disbursement decreases and those decreases cause the CFL to fall below the amount already sent to the school by G5.

U.S. Citizenship and Immigration Services (USCIS) The federal agency that administers immigration and naturalization services within the United States. Formerly, the Immigration and Naturalization Service (INS).

United States Code (USC) Codification by subject matter of the general and permanent laws of the United States. It is divided by broad subjects into 50 titles and published by the Office of the Law Revision Counsel of the U.S. House of Representatives.

Unqualified Opinion A "clean" auditor's report. That is, the auditor has concluded the financial statements present fairly, in all material respects, financial position, results of operations, cash flows in conformity with generally accepted accounting principles.

Unsubstantiated Cash Calculated as net cash at school (i.e. net excess cash returns) received for the award year, not including cash at schools for the last 15 days minus total accepted disbursements (booked disbursements for DL) for award year.

Untaxed Income and Benefits The term "untaxed income and benefits" includes

- child support received;
- workman's compensation;
- veteran's benefits, such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits;
- interest on tax-free bonds;
- housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits);
- cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;
- untaxed portion of pensions;
- payments to individual retirement accounts and Keogh accounts excluded from income for federal income tax purposes; and
- any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, or railroad retirement benefits, or benefits received through participation in employment and training activities under Title I of the Workforce Investment Act of 1998.

USC United States Code

USCIS U.S. Citizenship and Immigration Services in Department of Homeland Security

V

VA U.S. Department of Veterans Affairs

Valid Institutional Student Information Record (valid ISIR) An ISIR on which all the information reported on a student's FAFSA is accurate and complete as of the date the application is signed.

Valid Student Aid Report (valid SAR) A SAR on which all of the information reported on a student's FAFSA is accurate and complete as of the date the application is signed.

Variable Interest Rate An interest rate on a loan that fluctuates over the term of a loan on the basis of changes in an index that reflects changes in market rates.

Verification The process under which an applicant's FAFSA information is selected by the Department or a school and determined to be accurate (true and complete within certain parameters) or inaccurate.

Verification Flag Code on a SAR/ISIR transaction indicating that a student has been selected for verification. After the student is selected, he or she is always selected for the current processing year. This data comes from the Student Is Selected for Verification field in the ISIR record layout.

Verification Selection Flag The field on the SAR/ISIR that identifies a correction transaction that is selected for verification when the transaction being corrected was not initially selected for verification. This field is always blank on an initial transaction. This flag is set to Y only on the correction transaction that is initially selected for verification. If the Verification Selection Flag is set from the previous transaction, this field is blank.

Verification Status Code The code (V, W, S, or blank) that must be reported in the COD system for students who receive Pell grants, regardless of whether they are selected for verification.

Verification Worksheets A web-based tool available at faaaccess.ed.gov that schools can use to compare ISIR data with data an applicant provides on verification documents, such as a Verification Worksheet. It displays the differences between the ISIR and the verification document. The aid office can tell if the differences are within the verification tolerance level. Users can also update student and parent ISIR information and submit it to the CPS.

Veteran Any individual who

- has served on active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard (other than for training purposes); and
- was released under a condition other than dishonorable.

Veterans' Education Benefits Benefits associated with his or her service that a student who is also a veteran will receive during the award year. For a detailed explanation of *Veterans' Education Benefits* see the Higher Education Act, as amended, Part F, Section 480(c).

Voluntary Payments Payments made directly by a borrower or a student who owes a federal student aid debt and that do not include payments obtained by federal offset, garnishment, or income or asset execution.

W

Waiver Relief from an obligation, e.g., to pay tuition, fees, or other institutional charges; or to fulfill an administrative requirement.

WBT Web-Based Training

Weakness (in controls) An organization's inability to fulfill a responsibility or fully realize the benefit of a control. Weaknesses may be identified internally through self-examination or by an external organization and stated as a recommendation. Depending on the severity, it may be reported to the next level of management. Each material weakness requires a corrective action plan. (See *Material Weakness.*)

Week of Instructional Time Any period of seven consecutive days in which one day of regularly scheduled instruction, examination, or (after the last day of classes) at least one scheduled day of study for examinations occurs. Instructional time does not include periods of orientation, counseling, homework, vacation, or other activity not related to class preparation or examination.

Willingness to Repay When selecting Perkins Loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Delinquency, default, or other failure to meet obligations on a previous loan is evidence that the borrower is unwilling to repay a loan. Loans discharged in bankruptcy may be considered evidence of being unwilling to repay a loan. Schools may also consider a student's credit history in determining willingness to repay.

Withdrawal To cease attendance in all Title IV eligible classes in a payment period or period of attendance, as applicable. A student is considered to have withdrawn from a payment period or period of enrollment if

- in the case of a program that is measured in credit hours, the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete;
- in the case of a program that is measured in clock hours, the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete; or
- for a student in a non-term or nonstandard-term program, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending, unless the student is on an approved leave of absence, as defined later in this chapter.

Withdrawal Date The date a student ceases attendance (drops or withdraws) from all his or her Title IV eligible courses in a payment period or period of enrollment.

Work-College An eligible institution that

- is a public or private nonprofit, four-year, degree-granting institution with a commitment to community service;
- has operated a comprehensive work-learning-service program for at least two years;
- requires resident students, including at least one-half of all students who are enrolled on a full-time basis, to participate in a comprehensive work-learning-service program for at least five hours each week, or at least 80 hours during each period of enrollment, except summer school, unless the student is engaged in an institutionally organized or approved study abroad or externship program; and
- provides students participating in the comprehensive work-learning-service program with the opportunity to contribute to their education and to the welfare of the community as a whole.

Withdrawal Rate The percentage of a school's students who officially withdraw, unofficially drop out, are expelled, or receive a 100% refund of their tuition and fees. Withdrawing from one or more courses (e.g., reducing credit hours from 12 to 6) or programs but not entirely from the school does not meet the definition of a withdrawal. Instead, this action is considered a change in enrollment status. Schools seeking to participate in an FSA program for the first time must have an undergraduate withdrawal rate for regular students of no more than 33% during the last completed award year.

Working Papers Written records kept by an auditor of procedures applied, tests performed, information obtained, and pertinent conclusions in the engagement.

Write-off An action to remove an amount from an entity's assets. Costs incurred that have no future utility are charged (written-off) to an expense or loss account, not carried forward as an asset. A write-off of a loan occurs when an official determines, after all appropriate collection tools have been used, that no further collection activity is warranted. Active collection on an account ceases, and the account is removed from an entity's receivables.

WWW World Wide Web

YTD Year to Date