

Introduction

The purpose of this publication is to describe how a school becomes eligible to participate in the Federal Student Aid (FSA) programs and to explain the administrative and fiscal requirements of FSA program participation. In addition, this publication discusses other issues relevant to the general administration of the FSA programs.

This chapter provides a *summary* of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text here does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol.



When the text represents a clarification rather than a change, it is indicated with this symbol.



MAJOR CHANGES BY CHAPTER

Chapter 1– Institutional and Program Eligibility

- √ The discussions of *Week of Instruction* and *Week of Instructional Time* have been revised to reflect the elimination of the *12-hour rule*.

Chapter 2 – General Participation Requirements

- √ Since the regulations now have separate treatments of payment periods for clock-hour programs and payment

periods for credit-hour nonterm programs, we now discuss them separately.

- ✓ The discussion of *A week of instructional time*, which affects the definition of an *academic year* has been changed to reflect the elimination of the 12-hour rule.
- ✓ The section on *Incentive Compensation* has been expanded to reflect the guidance in the November 1, 2002 regulations.

Chapter 4 – Financial Responsibility

- ✓ The treatments of returning funds in a timely manner and requirements for letters of credit have been revised.

Chapter 5 – Cash Management

- ✓ The section of the law granting exceptions to the 30-day delay in making FFEL or Direct Loan disbursements has expired, and the text describing those exceptions has been removed.
- ✓ The section dealing with the rules for making late disbursements has been revised.

Chapter 6 – Return of Title IV Funds

- ✓ The discussion under *Attendance requirements of outside entities* has been updated.
- ✓ We have revised the discussion of an *Approved leave of absence*.
- ✓ Reflecting the November 1, 2002 regulations, we have added a section on *Transfer and reentry into a credit-hour nonterm based program or a program that measures progress in clock hours*.
- ✓ We have made changes to the discussion of *Recording student payment and award reductions and student payments in the Pell Grant Program* that reflect the continued development and implementation of COD.

Chapter 7 – Consumer Information

- ✓ We have added to the list of items that must be disclosed in your Campus Security Report, beginning with the annual security report that must be distributed by October 1, 2003, a statement advising the campus community where law enforcement agency information concerning registered sex offenders who might be present on campus can be obtained.

Chapter 8 – Recordkeeping and Disclosure

- ✓ We have updated the treatment of FERPA to reflect changes made pursuant to the USA Patriot Act.

Chapter 10 – Applying for and Maintaining Participation in the FSA Programs

- ✓ We have updated the definition of a *family member* in our discussion of a *Change in controlling interest*.

- √ We have added a section on requirements when an eligible proprietary institution of higher education or postsecondary vocational institution changes from a branch campus to a freestanding main campus.

Chapter 11– Program Integrity

- √ A section on the eZ audit process has been added.

