How to Revitalize Your Financial Aid Compliance

AACS Spring Retreat 2015

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Sheraton Wild Horse Pass

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Topics for Discussion

- Compliance Culture – Top Down
- Interaction Between Departments
- Admissions Process
- Financial Aid Process
- Internal Compliance
- Training
- Website
- Outsourcing
- FA Survey
Compliance Culture

- Title IV knowledge & training: owners/execs
- Compliance budget: pay $$ now or later!
- Codes of ethics: training and enforcement
- Complaints: anonymous online/1-800
- Compliance: HR evaluations/compensation adjustments
- Encourage inquiries to FSA, servicer, counsel
- Ensure timely OIG reporting when required
Interaction Between Departments

Everyone at the institution should be involved in:

- Retention
- Managing cohort default rates
- Ensuring that the student has a positive experience at the school
- Mentoring – alums/reps/instructors
- Placement qualifications
Admissions Process

- What is the admissions process?
  - On line
  - In person
- Are students walked to financial aid or a future appointment set up?
- Are students assigned a mentor from admissions?
- There should be a smooth transition from admissions to financial aid
Financial Aid Process

- What is the process?
- When does the student receive the Pin/FSA ID?
- Does the student complete the FAFSA at a computer in your office or at home?
- When is entrance counseling completed & how?
- Show the student how to log into NSLDS
  - Will be able to see how easy it is to access information
  - Can view current loans & loan debt
Financial Aid Process

- Remind student of loan obligation, each disbursement/stipend
- Financial aid literacy class should be offered
- Encourage the dependent parent to take out the PLUS loan & if necessary get a co-signer
- Encourage student to make interest payments while in school
- Encourage borrowing only what is needed: use budget tools to show impact of loan amounts
Internal Compliance

- On going internal audits
- Mock program reviews
- Use internal staff or outsource
- Student surveys
- Policies & procedures
- Student Eligibility policies/practices
Internal Compliance

Items to Review

- Correct calculations
- Dates reported to COD/NSLDS
- R2T4s
- Verifications
- Website
- Consumer information
Internal Compliance

- Academic and Financial aid files
- ECAR/eligible programs
- Approvals from state and accrediting agency
- Marketing materials
- Marketing/Lead Gen contracts: controls
- Draw downs/disbursements
Training

- Required by ED
  - New schools/ change of ownership
  - FAO 5 days
  - Owner/CEO 3 days

- VAWA training required July 1, 2015
  - VAWA coordinator-annual
  - Students, staff-on going
Training

- Financial aid officer
  - At least yearly
    - Auditor must verify
  - FSA Handbook
  - DCL & Electronic Announcements
  - State, accrediting agency, AACS, and other private agencies
Training

Admissions

- On going internal training
  - Institutional mission, goals, & policies
- Ensure coordination between financial aid and admissions
- Training from professional associations
- Mystery Shop
  - Use results for additional training
Training

Instructors

- Embrace new teaching styles
- Latest technology from providers
- Opportunity for advance classes
- Challenge students
- Help them with soft skills
Website

- Easy to navigate
  - Information is one – two clicks away
  - Admissions process is simple to follow
  - Information is current

- All required data displays correctly
  - Net price calculator
  - GE disclosure – correct template
  - Crosswalks link to correct occupation
Website

- Contains all required information
  - IBS book information
- Appealing to the viewer
- Professional
Outsourcing

- Contracts: controls – DOE terms, E App

- Advantages
  - Cost
    - Servicing vs. benefit package
  - Resources
    - Unlimited
  - Compliance
    - Calculations
    - Reporting
    - Reconciliations
Outsourcing

• Professional look
  • Forms
  • Websites
• Accuracy
  • Attendance
  • R2T4 Calculations
• Timely reporting
Outsourcing

- Ease of required reporting
  - Accrediting agency
  - State board
  - IPEDS
  - GE disclosures
  - GE reporting
  - Enrollment reporting
T4 Administration Survey (10)

- **FA Staffing:**
  - Avg. 1 per 100-150 students
  - High: 2 FT; Low: 2 PT, with servicer
  - 1 turnover/yr; hard to fill; hard work

- **Third Party Servicer:** Yes – 7/10

- **Functions:** from funds delivery to all areas

- **TPS Contract Review:** Yes – 6/10 (we should)

- **TPS Audit Review:** Yes – 5/10
For those who use servicers, WHY?

“They took that work, all that Title IV, their staff’s so sharp, they really know the score”

Could you absorb higher servicer costs?

DCL 15-01, 1-9-15: new TPS guidance

More servicers: CDR, SIS, T4 consulting, banks
T4 Administration Survey

**FA Staff Compensation:**
- Hourly Clerical, Salary + OT past 40 hrs

**Review Factors: Student Surveys?**
- Yes – 6/10, customer satisfaction, plaque #1

**Bonuses:**
- No (10), other than “love” (1)

**FA Costs (w/TPS) as % of Gross Revenue:**
- 4% to 15%; “obscene” time for owner/exec
T4 Administration Survey

Policy Manual/Handbook:
- Yes – 10/10 (intranet, hard copy)
- Yes – all policies & forms 8/10
- Review by DOE/consultant: 6/10 (3 DOE)
- Updates annually by FAO/teamtrainer

File Checklists:
- Yes – 10/10….”anybody who does not is completely crazy”
T4 Administration Survey

Title IV Training:
Yes – 9/10, staff training, monthly calls (1)
Outside trainers 2/10
FSA, NASFAA, PCCS, AACS, webinars
FSA Coach/IFAP PPTs: Yes – 8/10

Answers to Tough Questions:
TPS, FSA Handbook, Auditor, NASFAA, T4 consultant, IFAP website, DOE “if necessary”
T4 Administration Survey

- Internal/external voluntary FA file review
  - Yes – 9/10
- Internal audits by compliance guys
  - Annually, at class start & graduation, 3 per yr
  - Each file reviewed twice
- Attendance Data/Records: retention/review
- Time clock: 9/10 (2 biometric)
- Instructor roll books, sign-in: 10/10
- Books kept: 30 days to 10 years; Review: 6/10
T4 Administration Survey

- **Excuse/Makeup Policies/Practices**
  - 10/10 – written policies, excuse decision forms
  - Makeup approval forms – 6/10

- **LOA Policies/Practices**
  - 2/10 – no LOAs allowed
  - Written LOA forms – 8/10

- Keep records: 1 yr after grad – 7 yrs - forever
T4 Administration Survey

- **R2T4 Platform:**

- 2 FSA software/8 TPS software

- **Internal reporting on drops/status changes:**
  Software – reports (10 days absence), weekly mtgs/reports, daily updates – instructors

- **Calculations:** data control, timing

- Spot checks or all, current to annual

- Pay immediately to w/i 30 days drop
T4 Administration Survey

- Compliance Audit Findings – Resolution:
  - Done by owners, top executives, campus directors, FAO
  - Internal auditor/internal FA trainer help on CAP

- OTHER ASPECTS OF RUNNING FA???
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