



**NORTHERN  
PENNSYLVANIA  
REGIONAL COLLEGE**

## Financial Aid Administrative Capabilities

### 1. PURPOSE

This policy establishes that Northern Pennsylvania Regional College (“NPRC” or the “College”) will ensure compliance with the United States Department of Education standards for the institutional capabilities for administration of Title IV of the Higher Education Act (HEA) program funding.

### 2. SCOPE AND APPLICABILITY

This policy is applicable to the employees of NPRC whose job responsibilities include administration of Title IV, HEA program funding (federal aid).

### 3. REFERENCES

3.1 CLDR-1110: Policy Review Schedule

3.2 INDX-1110: Master Policy Index

3.3 Title IV of the Higher Education Act of 1965 (HEA) as presently amended: [34 CFR § 668.16\(b\) - Standards of administrative capability](#).

3.4 Title IV of Higher Education Act of 1965 (HEA): [34 CFR § 668.16\(c\) - Standards of administrative capability](#).

3.5 [Federal Student Aid Handbook](#) (FSA)

3.6 [Family Education Rights and Privacy Act](#) (FERPA)

3.7 [The National Association of Student Financial Aid Administrators](#) (NASFAA)

### 4. DEFINITIONS

4.1 Title IV of the Higher Education Act of 1965 (“Title IV, HEA Program Assistance”) is a legislative act which establishes and governs federal student financial aid programs.

4.2 Administrative capability is a Title IV requirement that characterizes the institutional obligation to support program administration in a legally compliant manner.

4.3 The National Association of Student Financial Aid Administrators (NASFAA) is a professional organization recognized by the U.S. Department of Education as a partner in liaised information to institutional financial aid offices and is a useful source of best practice data.

- 4.4 An academic student is any individual enrolled in any credit-bearing course(s) of instruction offered by the College.
- 4.5 An employee shall mean any individual who serves the College in a full-time or part-time capacity as an administrator, staff, or faculty.
- 4.6 Adequate financial aid counseling includes the source and amount of each type of aid offered, the method by which aid is determined and disbursed, delivered, or applied to a student's account, and the rights and responsibilities of the student with respect to enrollment at the College and receipt of financial aid.

## **5. POLICY**

- 5.1 The College shall ensure that it maintains administrative capability to participate in administering Title IV Aid in compliance with all federal regulations.
- 5.2 The College will administer Title IV programs and assess student eligibility in accordance with all statutory provisions applicable to Title IV, all applicable regulatory provisions prescribed under that authority and all applicable special arrangements, agreements, and limitations entered under the authority of statutes applicable to Title IV.
- 5.3 The College will utilize the federal systems provided to electronically exchange data pertaining to federal aid management functions and develop and use an internal student information system to accurately manage and record all college activity related to federal funds.
- 5.4 The College will commit the level of departmental support required by providing adequate staffing and system structure using appropriate considerations for the number of students who receive any student aid, the number of applications received, the overall level of any source of financial assistance at the institution and the total dollars administered, the financial aid delivery system, the level of automation in the determination in the number and distribution of financial aid staff, and the use of third party servicers.
- 5.5 The College will administer federal aid programs with adequate checks and balances in its system of internal controls by dividing the functions of authorizing and disbursing financial aid funds to ensure that no employee has responsibility for both functions with respect to any student awarded aid.
- 5.6 The Office of Financial Aid (OFA) will provide adequate financial aid counseling to eligible students who apply for Title IV, HEA program assistance.
- 5.7 The College will report annually to the Secretary of the U.S. Department of Education on any reasonable reimbursements paid or provided by a private educational lender or group of lenders described under section 140(d) of the Truth in Lending Act (15 U.S.C 1631(d)) to any employee who is employed in the OFA of the institution or who otherwise has responsibilities with respect to education loans lender selection or other financial aid of the institution. The College will report the

- amount for each specific instance of reasonable expense paid or provided, the name of the financial aid official, other employee, or agent to whom expenses were paid, the date of activity, and a brief description.
- 5.8 The College will provide structural affirmation to the departments impacted by Title IV regulations that overlap into other operational areas by having policies that:
- 5.8.1 Authorize OFA engagement in compliance related activity,
  - 5.8.2 Facilitate an internal system of checks and balances,
  - 5.8.3 Establish the separation of functions within funds management,
  - 5.8.4 Train all parties using financial aid data in the requirements of the Family Educational Rights and Privacy Act (FERPA); and
  - 5.8.5 Support the exchange of pertinent materials and cooperative policy development to include sharing data and preventing conflicting information on a college-wide basis.
- 5.9 The College will comply with all state and federal reporting requirements including maintaining the institutional program participation agreement and facilitating the reporting of all required changes and updates to the Department of Education.
- 5.10 The College will engage in contingency and continuity planning intended to ensure continued administration of aid in the event an emergency or crisis impacts College operations.

## **6. RESPONSIBILITIES AND TIMELINES**

- 6.1 The College is responsible for designating a Director of Financial Aid as the capable individual to be responsible for administering all the Title IV HEA programs in which it participates and for coordinating those programs with the institution's other programs of student financial assistance.
- 6.2 The OFA will develop, maintain, and communicate written policy and procedures related to all Title IV functions and tasks, including but not limited to application review, Satisfactory Academic Progress for Financial Aid, and Return of Title IV funds in alignment with shared governance guidelines.
- 6.3 The OFA is responsible for developing and implementing a training program and staff development which ensures compliance with financial aid policies and procedures.
- 6.4 The OFA will provide adequate financial aid counseling by using internal activity timelines and calendars to establish and communicate service expectations.
- 6.5 The OFA is responsible for monitoring the institution's Cohort Default Rate and providing a financial literacy program for students in support of responsible borrowing.

- 6.6 The OFA is responsible for developing and supporting internal controls relevant to Title IV HEA programs policies.
- 6.7 The OFA is responsible for ensuring the institution is demonstrating safeguarded stewardship of all financial aid funds administered including a durable separation of responsibility for the authorization and disbursement of funds.
- 6.8 The OFA is responsible for developing and implementing a sufficient record keeping and retention system for all materials related to, but not limited to student eligibility, disbursement, program management, third party vendor management and cost allowance expenditures in accordance with Title IV HEA program requirements.
- 6.9 The OFA is responsible for developing and applying an adequate system to identify and resolve discrepancies and conflicting information that the institution receives from different sources as it pertains to a student application for financial aid under the Title IV programs. Fraud identification will be addressed within this role and those cases will be referred to the Department of Education when necessary.
- 6.10 The OFA is responsible for performing annual risk assessment and regular assessments as part of examining exceptions that occurred through the fiscal year as identified by event, audit, or internal review in compliance with Title IV HEA programs.
- 6.11 The OFA is responsible for maintaining written arrangements with each college department having a role related to the administration of Title IV HEA programs, including but not limited to the core functions of eligibility determination, satisfactory progress review for financial aid, Return of Title IV calculations, funding authorization, funding disbursement, funding delivery, fund reconciliation, cash management and the preparation and submission of reports to the Secretary of Education.
- 6.12 The OFA is responsible for regularly reviewing or examining the record keeping and retention system for all materials related to activities of college departments with responsibilities including but not limited to cash management, consumer information, or other Title IV HEA program functions. When business processes necessitate operational overlap with other college departments, the OFA will engage in a spirit of cooperative inclusion.
- 6.13 The OFA is responsible for engaging college departments in assessment and risk management activities for functions that overlap with those offices.
- 6.14 The OFA is responsible for participating in Title IV HEA program audits. Should look similar to policy statements with varying levels of indenting if applicable.

## **7. REVIEW STATEMENT**

Review of this policy will occur in alignment with CLDR-1110: Policy Review Schedule.

## 8. SIGNATURES

*Signature on File*

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Chairperson, Board of Trustees      Date

*Signature on File*

\_\_\_\_\_  
President      Date

Revision Notes: Final Approved Policy