Session #22

Maintaining Your Institutional Eligibility

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U.S. Department of Education
2019 FSA Training Conference for Financial Aid Professionals

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND®
School A
Eligible for
Financial Aid

These students may get financial aid if they are eligible

School B
Not Eligible for
Financial Aid

These students CANNOT get financial aid even if they are eligible
Agenda

• Eligibility and Certification
• The Basics of the Electronic Application (E-App), Program Participation Agreement (PPA), & Eligibility and Certification Approval Report (ECAR)
• Updating the Application
• Recertification
• Common Mistakes
Eligibility and Certification
Eligibility and Certification

Per 34 CFR Part 600 Institutional Eligibility, a school must:

- Be legally authorized by a state as a postsecondary school
- Be accredited
- Provide an eligible program
- Admit as regular students only individuals with a high school diploma or its recognized equivalent or individuals beyond the age of compulsory school attendance in the state where the school is located
Eligibility and Certification

• Provide no more than 50% of its courses by correspondence
• Have less than 50% of its regular students attend by correspondence
• Have no more than 25% of its regular students be incarcerated
• Have no bankruptcy, crime with *Title IV*, or fraud by school or owner
Eligibility and Certification

Types of Certification for Participation in Title IV

• Full certification
  • 4 – 6 years
  • Self-certification options
• Provisional certification
  • 1 – 3 years
  • Conditional provisions
The Basics:
The E-App, PPA, & ECAR
The Basics

• What is an E-App?
• What is a PPA?
• How is it different from the ECAR?
The Basics

The E-App (Electronic Application)

- The Application for Approval to Participate in the Federal Student Financial Aid Programs
- Located at eligcert.ed.gov
- Apply for recertification
- Report all types of changes regarding school eligibility, including change of officials, additional locations, and educational program updates
The Basics

The Program Participation Agreement or PPA

- A requirement for certified/participating schools
- A contract between the school and ED which outlines the regulations that the school is required to follow
- When schools go through any process where a new PPA is generated by ED, the previous PPA is void as of the new PPA date
- Is signed by both the school and ED
- The signed PPA must be kept on file by the school, along with a copy of the most recent Eligibility Certification and Approval Report or ECAR

(unsIGNED copy is accessible for viewing/printing at eligcert.ed.gov)
The Basics

The Eligibility and Certification Approval Report (ECAR)

- A snapshot of the school’s participation, programs, location, officials, etc.
- A current copy of the ECAR must be kept on file by the school

*(current version is accessible for viewing/printing at eligcert.ed.gov)*
Updating the Application: Acknowledgements and Approvals
Updating the Application

Acknowledgements

• Change to the name of the school
• Change of address for main or additional location
• Closure of a previously approved location
• Change from/to clock-hours or credit-hours
• Decrease in the level of educational programs
• Change in members of Board of Directors
Acknowledgements

- Change to reported President
- Change to reported Chief Financial Officer
- Change to reported Financial Aid Director
- New person/entity acquires 25% or greater ownership without a change in control
Acknowledgements

• Change of third-party servicer
• New or significantly modified contract with a third-party servicer
• Termination of a contract with a third-party servicer
• Third-party servicer under contract goes out of business or files bankruptcy
Updating the Application

Acknowledgements

• Report within 10 days of the change

• No need to wait for approval
Updating the Application

Approvals

• New locations seeking Title IV eligibility
• Most new educational programs seeking Title IV eligibility
• Adding educational program(s) at a higher level than for which you are currently approved
• Distance Education offered in a state where a school has no physical location
Updating the Application

Approvals

• Change in ownership resulting in a change in control

• Change in accreditor
Updating the Application:
New Locations
Updating the Application

New Locations

• ECAR lists the main location and approved additional locations
• Eligibility does not automatically extend to separate locations and extensions
Updating the Application

New Locations

• If 50% or more of an educational program is offered at a new location, the school must report the location to ED
• In some cases, the school must wait for ED’s approval
• If not required to wait for approval, schools must report to ED within 10 days of disbursing Title IV Funds
Updating the Application

New Locations

• School must wait for approval before disbursing Title IV funds if the school is:
  • Provisionally certified
  • On cash monitoring or reimbursement
  • Acquiring the assets of another school
  • Subject to a loss of eligibility under 668.188 (default rates), or
  • Required by ED to receive approval before disbursing Title IV funds
Updating the Application

New Locations

• School should consult with their School Participation Division if:
  • Location was a facility of another school that has since closed
  • School is providing a teach-out of a closing school at the closing school’s location
New Locations

• ED will review applications for all reported locations to:
  • Ensure location meets eligibility requirements
  • Evaluate the school’s administrative and financial capability (if location approval is required)
• If approved, school may disburse/continue to disburse funds after receiving approval letter
• If not approved, school is liable for disbursements made
New Locations

• Location Eligibility Requirements:
  • Accréditor and state/foreign government approval is appropriate
  • Street address is provided
  • If located at the site of a formerly eligible location, meets all requirements to become an eligible location of another school
  • If located at the site of a currently eligible location, any established relationship between the two schools is reported
  • If the location is changing affiliation, ED has been notified to change the funds delivery
Updating the Application: New Educational Programs
New Educational Programs

- ECAR lists the eligible program levels
- ECAR lists the eligible programs approved by ED
- Fully certified schools may make a self-determination of program eligibility in some cases
- Provisionally approved schools, must report and obtain approval before disbursing funds to enrolled students
Updating the Application

New Educational Programs

The school must submit an E-App reporting the new educational program(s) before disbursing funds if:

- The school is provisionally certified
- The school is receiving funds under reimbursement or another cash monitoring payment method
- The program is measured by direct assessment
- The program is a comprehensive transition and postsecondary program
New Educational Programs

The school must submit an E-App reporting the new educational program(s) before disbursing funds if:

• The school’s PPA says approval is required before adding educational programs
• The school is in its initial period of participation and subject to the two-year rule
Updating the Application

New Educational Programs

The school may make a self-determination of eligibility for new educational programs, and disburse funds to students if it is not required to receive approval provided that:

- It determines the programs are eligible and has received both the required state and accrediting agency approvals before disbursing funds to enrolled students
- For new Gainful Employment (GE) programs, the school submits an E-App within 10 days of the school receiving final approval from both its state and accreditation agencies in order to make the change
- Each program meets all required GE Disclosure and Certification requirements
Updating the Application

New Educational Programs

• Each GE program must meet all required GE disclosure and certification requirements through June 30, 2020
  • ED is rescinding the GE regulations 2014 rule regarding disclosures and reporting
  • Effective July 1, 2020
  • Schools have the option to early implement the regulations beginning July 1, 2019
    • Schools must notify FSA via Q69 on E-App
    • Documentation of the school’s decision must be kept on file and produced upon request of the Secretary
New Educational Programs

Reporting self-determined programs on the E-App

- Schools are encouraged to report programs for which they have made a self-determination, during recertification or sooner (except GE programs which must be reported in 10 days)
- The eligibility of these programs will be reviewed prior to the program being added to the ECAR as an eligible program
New Educational Programs

- ED reviews applications for all reported educational programs ensuring:
  - Reported programs meet eligibility requirements
  - School’s administrative and financial capability (if program approval is required)
- If approved, school may disburse/continue to disburse funds after receiving their approval letter
- If not approved, school is liable for disbursements made
Updating the Application

New Educational Programs

- Program Eligibility Requirements:
  - Accreditor and state approval matches E-App (name and program length)
  - Classification of Instructional Programs (CIP) Code consistent with name of program
  - Leads to a recognized occupation (Standard Occupational Classification or SOC code) where required
  - Meets minimum weeks and clock- or credit-hours
  - Meets clock to credit conversion where required
New Educational Programs

• Program Eligibility Requirements (cont’d):
  • Does not exceed by more than 50% the minimum number of clock-hours established by the state for training in the occupation for which the program prepares students
  • Programs, which are required by the state to be based on clock-hours, can now allow aid to be calculated based on credit-hours, if the school chooses
New Educational Programs

• Program Eligibility Requirements (cont’d):
  • Meets special requirements if Direct Assessment Program - See DCL GEN-13-10
  • Meets special requirements if Comprehensive Transition and Postsecondary (CTP) Program - See DCL GEN-11-01
Finalizing the Update:

School must send to ED:

- Accrediting agency and state authorization approvals for changes or additions
- Any required documentation in section M
- Section L of the E-App containing original signature of the appropriate school official
Recertification
Recertification

• All participating schools must go through recertification
• Prior to the Program Participation Agreement (PPA) expiration date
Recertification

Application time frames & deadlines

• The E-App for Recertification should be submitted by the “Reapplication date” on your PPA
Recertification

Application time frames & deadlines

• As long as the E-App is submitted before the Reapplication deadline, the PPA will automatically be extended month-to-month until the review of your application is completed by an Eligibility Analyst.

For more information, see the 2018-19 FSA Handbook, Volume 2 School Eligibility and Operations, Chapter 5, Updating Application information.
Recertification

Preparing: What you need to have ready

- Your OPE ID number and TIN/EIN number in order to log-in
- The most recent copy of accreditation documents (both approval letter and list of approved programs, if applicable)
- The most recent copy of state authorization documents (both approval letter and list of approved programs, if applicable)
Preparing: What you need to have ready (cont’d)

• If you have not chosen to implement “Early Rescission”, ensure that your Gainful Employment Disclosures have been updated to reflect most recent required information (see slide 32 for early implementation guidance) REMEMBER that these need to be updated annually (every January)*
• Ensure that you have recently verified that the CIP codes selected for your Gainful Employment programs are correct
• It’s a good time to check your Policies and Procedures, Clery statistics, and your compliance with Consumer Information
• The document Consumer Information Disclosures at a Glance is a very helpful resource: ifap.ed.gov/FSAAssessments/ConsumerInformation20172018.html

*See Electronic Announcements #103 #105 and #122 for information on Gainful Employment: ifap.ed.gov/GainfulEmploymentInfo/GEDCLandEAV2.html
Recertification

Website: Eligcert.ed.gov
Recertification

User Name: EDxxxxxxxx
(x’s represent your 8-digit OPE ID)

Password: EDxxxxxxxxx
(x’s represent your 9-digit TIN/EIN number)
Recertification

**eligcert.ed.gov/ows-doc/help.htm**

**Application for Approval to Participate in Federal Student Financial Aid Programs**

*U.S. Department of Education, Federal Student Aid, Program Compliance, School Eligibility Service Group, School Participation Ma.*

**Help**

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Recertification

Documents to send in for recertification

• The most recent copy of accreditation documents (both approval letter and list of approved programs, if applicable)
• The most recent copy of state authorization documents (both approval letter and list of approved programs, if applicable)
• Copies of the following policies may be requested in advance:
  Admissions, Satisfactory Academic Progress, Institutional Refund, and Return of Title IV Funds
• Section L with an original signature
• Section M if a proprietary school
• IRS Form 501(c)(3) if a private nonprofit school
Recertification

Wrapping up the recertification application process
After your recertification application has been processed and your new PPA is generated by ED, you will receive an email with the next steps:

• You have 30 days to sign and return TWO copies of your new PPA to ED
• You’ll receive ONE copy of the PPA back, countersigned by ED
• The countersigned PPA must be kept on file by the school, along with a copy of your most recent ECAR
• Pay close attention to the expiration date of your new PPA and mark the next application deadline on your calendar
• Note whether your school has been fully certified to participate or is provisionally approved to participate (and if provisional, note the conditions)
Avoiding Common Mistakes
Avoiding Common Mistakes

To Avoid Common Mistakes

• If reporting more than one update on the E-App, check a box for EACH purpose
• If updates are reported on a Recertification Application, select only Recertification as the purpose
• When in doubt, ask your School Participation Division (SPD)
Avoiding Common Mistakes

To Avoid Common Mistakes

• Do not type over officials in Section A
  • Before adding/replacing officials, check the radio button to indicate a change, then enter the new officials

• Ensure that the phone numbers for officials are direct lines and not main numbers

• Do not type over Board Members in Section C
  • When changing Board Members, make sure to enter an ‘end date’ for each individual leaving, then add any new Board Members on a new line
Avoiding Common Mistakes

To Avoid Common Mistakes

• Verify that CIP codes are correct for educational programs
• Be sure to check all sections and include all updates
• Remember to add Emergency Contact Information for your school in Section K, question #69
  • The Emergency Contact should be an official listed in Section A, Questions 10 to 12

ifap.ed.gov/eannouncements/051109EmergencyPrepFAAHigherED.html
Avoiding Common Mistakes

To Avoid Common Mistakes

• Don’t forget to click “SUBMIT”

• Don’t forget to send in the signed signature page

• Don’t forget to send in copies of the state and accreditation approval letters with a list of approved programs (if applicable)
Questions and Answers
Or call the appropriate School Participation Division manager below for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification, and school closure information.

New York/Boston School Participation Division
Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, Virgin Islands
Betty Coughlin, Director 646-428-3737
Chris Curry – New York 646-428-3738
Tracy Nave – Boston 617-289-0145

Philadelphia School Participation Division
District of Columbia, Delaware, Maryland, Pennsylvania, Virginia, West Virginia
Nancy Gifford, Director 215-656-6436
Steven Marcucio – Philadelphia 215-656-5554
Sherrie Bell – Washington, DC 202-377-3349

Multi-Regional and Foreign Schools Participation Division
Michael Frola, Director 202-377-3364
Mark Busskohl – Washington, DC 202-377-4572
Michelle Allred – Dallas 214-661-9466
Julie Arthur – Seattle 206-615-2232

Atlanta School Participation Division
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina
Christopher Miller, Director 404-974-9297
Vanessa Dillard – Atlanta 404-974-9418
Vinita Simpson – Atlanta 404-974-9260

Dallas School Participation Division
Arkansas, Louisiana, New Mexico, Oklahoma, Texas
Cynthia Thornton, Director 214-661-9457
Jesus Moya – Dallas 214-661-9472
Kim Peeler – Dallas 214-661-9471

Kansas City School Participation Division
Iowa, Kansas, Kentucky, Missouri, Nebraska, Tennessee
Dvak Corwin, Director 816-268-0420
Angie Beam – Kansas City 816-268-0534
Jeremy Early – Kansas City 816-268-0446
Jan Brandow – Washington, DC 202-377-3189

Chicago/Denver School Participation Division
Illinois, Minnesota, Ohio, Wisconsin, Indiana, Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, Wyoming
Brenda Yette, Acting Director 312-730-1522
Tammi Sawyer – Chicago 312-730-1531
Vacant – Chicago

San Francisco/Seattle School Participation Division
Martina Fernandez-Rosario, Director 415-486-5605
Erik Fosker – San Francisco 415-486-5606
Gayle Palumbo – San Francisco 415-486-5614
or Seattle 206-615-3699
Dyon Toney – Washington, DC 202-377-3639
Your feedback and comments are appreciated.

• SESG General Phone Number: 202-377-3173

• Email: CaseTeams@ed.gov