New School Guide

2022

Federal Student Aid, an office of the U.S. Department of Education, ensures
that all eligible individuals benefit from federal financial assistance—grants, loans,
and work-study programs—for education beyond high school. By championing the
promise of postsecondary education, we uphold its value as a force for greater
inclusion in American society and for the continued vitality of America as a nation.

Introduction

PURPOSE AND SCOPE OF THE GUIDE

The U.S. Department of Education (ED) has prepared the *New School Guide* (Guide) to assist schools beginning participation in the Federal Student Aid (FSA) programs. The Guide is designed to give schools a quick introduction to program and system requirements to consider as a part of start-up activities.

This Guide is an introduction and not all-inclusive. For a more complete explanation of program requirements, refer to the *Federal Student Aid Handbook* (*FSA Handbook*), which is the primary reference for financial aid administrators on the requirements of the FSA programs. The *FSA Handbook* is published each year by the Department (ED) and is posted to the [Knowledge Center](#).

IMPORTANCE OF THE KNOWLEDGE CENTER

Participating schools are specifically required to have access to the Knowledge Center and its contents since the Knowledge Center is the means by which the Department notifies schools of FSA program requirements. The Department strongly recommends that school financial aid administrators bookmark the Knowledge Center and sign up for regular notification of the publications that are posted on this site.

To register, users can scroll down to *Knowledge Center Subscription* and then select *Subscribe*. Registration for *Knowledge Center Subscription* results in automatic registration to receive daily or weekly email notifications summarizing the new additions to the Knowledge Center.

FURTHER ASSISTANCE AND FEEDBACK

Appendices at the end of this Guide include:

A. A list of resources and contact information for FSA Contact Centers that can assist schools with questions about systems issues.

B. A checklist of important requirements that should be addressed at startup, and

C. A reference list of User IDs and passcodes required for access to ED and FSA systems.

For further assistance with participation requirements, schools should contact the School Participation Division for their state. Comments or suggestions about this Guide may be sent to the publications group at fsaschoolspubs@ed.gov.

THE FSA PROGRAMS

The Federal Student Aid (FSA) programs include grants, loans, and work-study for students. Schools must configure their systems to report data for these programs.

Awards for most FSA programs are tracked through the Common Origination and Disbursement System (COD), and funds are provided to participating schools through ED's G5 payment system. This includes the aid programs below:

- Federal Pell Grants

- Iraq & Afghanistan Service Grants

- TEACH Grants
  (Teacher Education Assistance for College
  and Higher Education Grants)

- Federal Direct Loans
  (Subsidized and Unsubsidized Stafford Loans, and PLUS loans)

Schools may also elect to participate in the Campus-Based programs. For these programs, unlike the others, the school is given an annual funding allocation from which to make student awards according to program guidelines. These programs include:

- FSEOG grants
  (Federal Supplemental Educational Opportunity Grants)

- Federal Work-Study

Schools receive an annual allocation for these programs, which is drawn through the G5 payment system. Schools do not report student-specific data to ED for FSEOG or Federal Work-Study.

Contents

FSA Program Requirements

Before beginning to participate in the FSA programs, a school should familiarize itself with the administrative and other requirements that it will have to fulfill, including tracking student and program eligibility. Some of these requirements require substantial lead-time, so a school should begin planning for implementation as soon as possible. Once it begins participating in the FSA programs, a school must continue to meet certain academic, financial, and administrative standards.

THE PROGRAM PARTICIPATION AGREEMENT AND ECAR

Signing the agreement

Upon approval of a school's application to participate, a member of the School Participation Division (SPD) will send an electronic notice to the CEO/president and the financial aid administrator notifying them that the school's Program Participation Agreement (PPA) is available to print and review. The school must print two original PPA documents. The PPA must be printed in portrait orientation and not edited in any way.

The appropriate official(s) at the school must sign and date both original PPAs and upload them to the document center. Original wet signatures and electronic signatures that have been drawn with a finger or mouse, photo scanned, and placed on the signature line are acceptable. Typed signatures or Adobe certifications are not acceptable. All pages of the PPA must be returned. The SPD will return one PPA to the school, signed and dated on behalf of the Secretary.

Certification by lower-tier contractors

The PPA also includes a *Certification By Lower-Tier Contractor* form. The school must make copies of the form and obtain the signatures of all required lower-tier contractors. The signed certification(s) are to be retained in the school's files. A lower-tier contractor includes any contracted individuals not considered employees of the school, who participate in the school's administration of the FSA programs (e.g., third-party servicers or loan servicers).

A school must obtain a certification from any lower-tier organization if the amount of the lower-tier transaction is $25,000 or more.

Purpose and scope of the agreement

The PPA summarizes the general terms and conditions required for participation in the FSA programs, and includes any conditions specific to your school, including those related to its provisional certification (discussed later in this chapter).

The PPA identifies the school's OPEID number, the effective date of a school's approval, the date by which the school must reapply for participation, and the date on which the approval expires.

CHAPTER 1 HIGHLIGHTS

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o Updating school application data
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Did you know?

The Program Participation Agreement has its own section in the federal regulations. 34 CFR 668.14 contains the regulations pertaining to the PPA. The PPA also contains additional regulations to which schools must adhere.

By signing the PPA, the president/CEO of the school is agreeing to comply with the laws, regulations, and policies governing the FSA programs.

Expiration or termination of the agreement

The PPA expires on the date indicated on the PPA unless the school applies for recertification by the application deadline.

A school's PPA expires on the date that—

- the school's period of participation ends,
- the school changes ownership that results in a change in control,
- the school closes or stops providing educational programs for a reason other than a normal vacation period or a natural disaster that directly affects the school or its students;
- the school ceases to meet the eligibility requirements, or
- the school's provisional certification is revoked.

In the case of a previously approved additional location of the school, the school's PPA no longer covers a location as of the date on which that location ceases to be a part of the participating school.

The PPA may be terminated by ED if the school meets any of the conditions listed above (except for the one about expiration). A school that has been terminated by the Department generally may not apply to be reinstated for 24 months.

A school may choose to end its participation at any time. To do so, the school must submit an E-App for "Voluntary Withdrawal from ALL Title IV Programs."

The Eligibility and Certification Approval Report

When the SPD returns the school's copy of the PPA, it will also send the school an email indicating that the approval letter and Eligibility and Certification Approval Report (ECAR) are available online.

The ECAR contains the most critical data elements that form the basis of the school's approval and lists the levels of programs offered. The ECAR also identifies any nondegree programs, short-term programs, and additional locations that have been approved for the FSA programs, as well as those that have been recently disapproved. Both the PPA and ECAR must be kept available for review by auditors and Department officials, including individuals conducting FSA program reviews (discussed later in this chapter).

ELIGIBILITY AFTER APPROVAL

Effective date for participation

The date the PPA is signed on behalf of the Secretary is the date the school may begin FSA program participation. Partner Participation and Oversight and FSA's regional offices are notified, as well as the school's accreditor, that the school is approved to participate in the FSA programs.

Receipt of federal school code

Students use the federal school code on the FAFSA to designate the school(s) that they want to receive their FAFSA data.

To confirm that its federal school code has been posted, the school can check the online Federal School Code Search. This code is typically posted within two weeks after the PPA has been signed on behalf of the Secretary.

(Schools applying for participation only in the Direct Loan (DL) program should request assignment of a federal school code when requesting the Direct Loan code from COD School Relations—see Chapter 2.)

Beginning to disburse funds

A school may make Pell and TEACH grant disbursements to students for the payment period in which the PPA is signed on behalf of the Secretary. Schools receiving initial certification can participate in the Campus-Based programs in the next award year that funds become available. Direct Loan program disbursements may begin in the loan period that the PPA is signed.

Additional programs or locations

FSA funds can only be given to students in approved programs at approved locations. If your school wants to get approval for additional programs or locations, it must file the electronic Application for Approval to Participate in the FSA Programs (E-App) and receive approval first (in most cases). See the discussion on updating the E-App later in this chapter.

Provisional certification

When a school is first approved to participate, the PPA includes an *Initial Certification* provision, which grants the school provisional approval to participate in the Title IV programs for a period not to exceed one complete award year. During the initial certification period, the school must demonstrate that it satisfies the standards of financial stability and administrative capability. New schools may also have other provisional conditions which must be met. For example, new schools are subject to a provisional condition in the PPA that prohibits the addition of new programs and locations during initial participation.

REQUIRED TRAINING FOR NEW SCHOOLS

To participate in any FSA program, a school that is new to the programs must ensure that its president/CEO and a financial aid administrator completes ED's instructor-led Fundamentals of Federal Student Aid Administration training workshop. The training provides new schools with a general overview of the FSA programs and their administration; it does not cover fiscal and accounting procedures in detail. The training requirement must be completed within 12 months before or after the execution of the Program Participation Agreement.

Prior to the instructor-led workshop, the school's president/CEO and a financial aid administrator must first take the online, self-paced tutorial, FSA Coach Fundamentals, which may take up to 20 hours. After they successfully complete that, they will be able to register for one of the instructor-led workshops. The following stipulations apply to the instructor-led workshops:

- The president/CEO may elect to substitute a high-level school official designee in his or her place.
- The financial aid administrator must be the person designated by the school to be responsible for administering the FSA programs.
- If the school uses a consultant to administer its financial aid, the consultant must complete the training as the school's financial aid representative. Because the school ultimately is responsible for proper FSA program administration, the Department strongly recommends that a financial aid employee from the school complete the training as well.

Updating, adding, deactivating federal school codes

A school must maintain a federal school code for its main location. Federal school codes may also be requested for approved additional locations if the school wants students to be able to separately identify which location they will attend when submitting the FAFSA. Federal school codes should also be requested for locations for which the school will be requesting a separate Direct Loan code. Instructions for updating, adding, and deactivating federal school codes are available on the E-App website under the federal school code addresses link. https://eligcert.ed.gov/

Fundamentals of Title IV-required training

Steps to complete the Fundamentals training requirement:

1. Log in to https://fsatraining.ed.gov/.
2. Register for the FSA training site.
3. Select "Fundamentals Training Series."
4. Select "Let's Get Started."
5. Select the online course.
6. After the online course is completed, you will be able to register for an instructor-led workshop.
7. Once BOTH the online portion and the instructor-led sessions are completed, the Fundamentals training requirement has been met.

A school may ask its School Participation Division for a waiver of the training requirement for the aid administrator and/or the chief executive. The Department may grant or deny the waiver, require another official to take the training, or require alternative training.

SYSTEMS TO CONFIRM STUDENT ELIGIBILITY FOR AID

FSA funds can only be given to regular students who are enrolled in eligible programs and meet other eligibility criteria described in the law (See Student Assistance General Provisions Part 668, Subpart C). As part of its administrative requirements, your school must establish internal systems to confirm that a student is eligible for FSA funds.

In general, the student must:

- have a Social Security number,
- be a citizen or eligible noncitizen,
- not be in default on an FSA loan or owe an overpayment on an FSA grant, and
- if a male, be registered with Selective Service.

Students are also required to submit a *Free Application for Federal Student Aid (FAFSA)* to calculate an "Expected Family Contribution" (EFC) that the school uses to determine the student's financial need for aid.

As a part of FAFSA processing, the eligibility requirements listed above will be confirmed using data matches with the National Student Loan Data System (NSLDS) and other federal databases such as Social Security, Selective Service, and Immigration (Department of Homeland Security). If the match is unsuccessful or indicates that the student is not eligible, the school will need to resolve the possible conflict and document the student's eligibility before providing any FSA funds to the student.

The school will also be required to verify the reported financial data and/or other data for those students selected for verification. This process is described in detail in the *Application and Verification Guide* (see sidebar).

Individual FSA programs have additional eligibility requirements. For instance, a Pell Grant or FSEOG is generally only available to students who have not yet earned a baccalaureate degree, and a student must meet specific academic criteria to receive a TEACH grant. Also note that special rules apply to incarcerated students and correspondence students. These requirements are described in detail in Volume 1 of the *FSA Handbook*.

Once students are enrolled, other eligibility requirements come into play, such as the requirement that they maintain satisfactory academic progress in their program of study. Also, students may lose FSA eligibility if convicted for a drug offense that occurred while enrolled and receiving FSA funds.

STAFFING & THIRD-PARTY SERVICERS

When preparing to participate in the FSA programs, your school needs to ensure that it has adequate staff to provide services to students and meet the administrative requirements of the programs.

Adequate staffing & coordination of information

The number of staff that is adequate depends on the number of students aided, the number and types of programs in which the school participates, the number of applicants evaluated and processed, the amount of funds administered, and the type of financial aid delivery system the school uses.

When planning for participation, remember that your school needs to ensure *coordination of information* between its administrative offices. For instance, the financial aid office needs to know if a student ceases making satisfactory academic progress because the student may no longer be eligible for FSA funds.

Separation of functions

In addition, your school's administrative offices must be organized in such a way that there is a *separation of function* that ensures that no single person or office can authorize FSA awards *and* disburse the awarded funds. Small schools are not exempt from this requirement even though they may have limited staff. Individuals working in either authorization or disbursement may perform other functions as well, but not both authorization and disbursement. These two functions must be performed by individuals who are not members of the same family and who do not together exercise substantial control over the school. If a school performs any aspect of these functions via computer, no one person may have the ability to change data that affect both authorization and disbursement.

Hiring prohibitions

When filling positions, the school needs to ensure that none of the applicants have been debarred or suspended, or have previous offenses or liabilities that would affect the school's eligibility to participate in the FSA programs. Before a school may receive FSA funding, it must certify that neither the school nor its employees have been debarred or suspended by a federal agency. (See Volume 2 of the *FSA Handbook* for a discussion of the school's responsibilities.)

- A school may not employ an individual who will be involved in the administration of FSA programs or the receipt of FSA funds if the individual has been convicted of (or has pled *nolo contendere* or *guilty)* to a crime involving the acquisition, use, or expenditure of federal, state, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.
- A school is not financially responsible if a person or entity who exercises substantial ownership or control over the school—or if any member or members of that person's family alone or together—either owes a liability for an FSA program violation or exercises or has ever exercised substantial ownership or control over another school or a third party servicer that owes such a liability.
- All individuals employed by a school who need access to FSA systems must be in good standing with their Title IV loans. A user will not be able to access FSA systems if their Title IV loan is in default status.

Third-party servicers

Schools are permitted to contract with consultants or third-party servicers to carry out some of the administrative requirements for the FSA programs. But the school ultimately is responsible for the use of FSA funds and will be held accountable if the consultant or servicer mismanages the programs or program funds.

When the school contracts with a servicer, the servicer must agree to

Electronic processes & separation of functions

While electronic processes enhance accuracy and efficiency, they also can blur separation of functions so the awarding and disbursement occur virtually simultaneously. Schools must set up controls that prevent an individual or an office from having the authority (or the ability) to perform both functions. In addition, your system also should have controls that prevent cross-functional tampering. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office.
Finally, your system should only allow individuals with special security classifications to make changes to the programs that determine student need and awards, and it should be able to identify the individuals who make such changes.
For more on information security requirements, see Volume 2 of the *FSA Handbook.*

Checking debarment

You can check to see if an individual, school, or organization has been debarred by using the System for Award Management (SAM).

Notifying ED of third-party servicers

A school must notify ED within 10 days if the school begins or ends a contract with a third-party servicer (use the E-App—Section J). You don't need to provide a copy of the contract unless the ED requests a copy.

Also note that your school must obtain a signed *Certification By Lower Tier Contractor* from all of its third-party servicers, including those whose contract begins at any time after the PPA was signed. Please note that while schools must report ATB (ability-to-benefit) testers with the third-party servicers in Section J of the E-App, they are not considered a third-party servicer and the school does not need to obtain a signed *Certification By Lower Tier Contractor* from the ATB tester(s).

comply with all applicable requirements, to refer any suspicion of fraudulent or criminal conduct in relation to FSA program administration to ED's Office of Inspector General, and, if the servicer disburses funds, to confirm student eligibility and return FSA funds (if required) when a student withdraws.

If the contract is terminated, or the servicer ceases to perform any functions prescribed under the contract, the servicer must return to the school all unexpended FSA funds and records related to the servicer's administration of the school's participation in the FSA programs.

As when hiring individuals, a school may not contract with a third-party servicer who has been debarred or suspended, or has previous offenses or liabilities that make the servicer ineligible for FSA purposes. (See Volume 2 of the *FSA Handbook* for additional information.)

CONTINUING PARTICIPATION REQUIREMENTS

After a school begins participating in the FSA programs, it is responsible for following certain general requirements. These requirements are listed in Appendix B, and they are discussed in greater detail in Volume 2 of the *Federal Student Aid Handbook*.

Several of these requirements are of particular interest to new schools and are briefly on the next page.

Cohort default rates

Your school may lose eligibility to participate in the FSA programs if it

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Third-party servicers defined

A third-party servicer is an individual or organization that enters into a contract (written or otherwise) with a school to administer any aspect of the school's FSA participation, such as:

- processing student financial aid applications, performing need analysis, and determining student eligibility or related activities;
- certifying loans, servicing loans, or collecting loans;
- processing output documents for payment to students, and receiving, disbursing, or delivering FSA funds;
- conducting required student consumer information services;
- preparing and certifying requests for advance cash monitoring or reimbursement funding;
- preparing and submitting notices and applications required of eligible and participating schools;
- preparing the Fiscal Operations Report and Application to Participate (FISAP); or
- processing enrollment verification for deferment forms or Student Status Confirmation Reports.

A person or organization performing the following functions is *not* considered to be a third-party servicer and is not subject to third-party servicer requirements.

- performing lockbox processing of loan payments;
- performing normal electronic fund transfers (EFTs) after being initiated by the school;
- publishing ability-to-benefit tests;
- financial and compliance auditing;
- mailing documents prepared by a school or warehousing school records;
- participating in a written arrangement with other eligible schools to make eligibility determinations and FSA awards for certain students; and
- providing computer services or software.

An employee of a school is not a third-party servicer. For this purpose, an employee is one who:

- works on a full-time, part-time, or temporary basis,
- performs all duties on site at the school under the supervision of the school,
- is paid directly by the school,
- is not employed by or associated with a third-party servicer, and
- is not a third-party servicer for any other school.

has a cohort default rate for Direct Subsidized/Unsubsidized loans that equals or exceeds 30% for the three most recent fiscal years or if the most recent cohort default rate is greater than 40%.

Generally, a cohort default rate (CDR) is the percentage of a school's student borrowers who enter repayment on Direct Subsidized or Unsubsidized loans during a particular fiscal year and who default before the end of the second fiscal year following the fiscal year in which they entered repayment. There are other criteria and exceptions—see the complete definition in the *Cohort Default Rate Guide*, which is available in the Knowledge Center.

The Department releases *draft* default rates in February to allow schools an opportunity to review and correct the data that will be used to calculate their official cohort default rates. In the early fall of each year, the Department issues the *official* cohort default rates. Under certain conditions, a school may be able to submit an appeal if it is subject to a loss of eligibility. See the *Cohort Default Rate Guide* for more information.

We encourage schools to take an active role in monitoring their default rates and taking preventive measures to reduce the potential for default. Thorough loan counseling is essential to make sure that students only borrow what they need for educational expenses, understand the responsibility to repay the loan, and know their repayment options. In addition, many schools have found it helpful to stay in touch with their student borrowers during repayment, to identify borrowers who are in delinquency, and to remind borrowers of their repayment options, including forbearance and deferment.

90/10 Rule

A proprietary institution may derive no more than 90% of its revenues from the FSA programs. The calculation rules (what can be counted in overall revenues versus revenues from FSA programs) are described in Volume 2 of the *FSA Handbook.*

If a school fails to satisfy the 90/10 Rule for one year, its participation status becomes provisional for two fiscal years. However, if the school does not satisfy the 90/10 Rule for 2 consecutive fiscal years, it loses its eligibility to participate in the FSA programs for at least 2 fiscal years. Schools have 45 days after their most recently completed fiscal year has ended to report to the Department if they did not satisfy the 90/10 Rule for the fiscal year.

Other financial standards

The Department calculates financial ratios (primary reserve, equity, and net income) for proprietary and private non-profit schools based on their annual audited financial statements. The ratios are then used to derive a composite score for the school.

A proprietary or private non-profit school must maintain a composite score of 1.5 to be considered financially responsible. A school with a composite score below 1.5 may participate under an alternative standard if financial responsibility which includes additional Department oversight and may require the school to post a letter of credit.

In addition, a school must maintain sufficient cash reserves to return FSA funds when a student withdraws, and it must be current in its debt payments.

Audits

A school generally must have an independent auditor conduct an

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Checklist

See Appendix B for a checklist of requirements for participation in the FSA programs. In addition to student aid and systems requirements, note that a school also must meet general requirements for student consumer information, campus security, privacy of educational records, etc., that are not directly connected to student aid.

Establishing school and financial aid procedures

A school is required to have written policies for admissions, satisfactory academic progress, refunds, and other determinations, and in many cases, the school is required to make these policies readily available to enrolled students and/or prospective students and their families.

In general, it is a good practice to maintain a procedures manual at your school that describes how application information is verified, how aid is awarded and disbursed, the process for requesting and handling special circumstances (use of professional judgment), and the process for handling satisfactory academic progress appeals, etc. A procedures manual helps ensure equal treatment for all of your students, and can be used to demonstrate compliance with FSA program rules.

Waiver of audit requirement

A proprietary school can request a waiver of the requirement for an annual audit if it disbursed less than $200,000 in each of the two most recently completed award years. (A new school will not be eligible for an audit waiver until it has participated in the FSA programs under the same ownership for at least 3 award years preceding the school's waiver request.)

The Department can approve a waiver of the audit requirement for up to 3 years, but note that the ensuing audit will still cover the years of the waiver approval.

A public or private nonprofit institution that expends less than $750,000 in federal funds in a fiscal year is exempt from filing compliance audits *after* the school gains initial eligibility.

Audit Guide

All proprietary schools must have an FSA compliance audit conducted under the Office of Inspector General's Audit Guide, available on the OIG website. The full name of the Audit Guide is *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*.

Compliance Supplement

The Compliance Supplement is a release of the Office of Management and Budget. The full title is *2 CFR Part 200, Appendix XI Compliance Supplement*, which is available on the OIG's webpage for single audits.

annual audit of its compliance with the laws and regulations that apply to the Title IV programs the school participates in (compliance audit), and an audit of the school's financial statements (financial statement audit).

Financial statement and compliance audits conducted to satisfy the annual audit requirement at proprietary schools must be done in accordance with the *Guide for Audits Of Proprietary Schools and for Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs* (Audit Guide) prepared by the Department's Office of Inspector General (OIG). Public colleges, state and local universities, and non-profit schools must have their audits conducted in accordance with 2 CFR Part 200 Subpart F—Audit Requirements. Auditors are required by those regulations to use the Compliance Supplement that the Office of Management and Budget updates annually. However, 2 CFR Part 200 Subpart F does allow a compliance audit using the Audit Guide under limited circumstances.

All audits must be based on the school's fiscal year. Student financial assistance audits conducted under the Audit Guide must be submitted to the Department no later than six months after the close of the school's fiscal year, while 2 CFR Subpart F audits must be submitted no later than nine months after the close of the fiscal year. All audits are submitted to the Department through the eZ-Audit website, which is the same site used to submit the financial statements required for initial eligibility.

Program reviews

The Department conducts program reviews by the SPDs to confirm that schools meet FSA requirements for institutional eligibility, financial responsibility, and administrative capability. Program reviews do not occur on a regular schedule. In selecting schools for review, the Department gives priority to those that meet criteria specified in the law.

Less frequently and as the occasion warrants it, the Department's Office of the Inspector General conducts reviews of institutions (these are not the same as your required annual compliance audit) that are similar to program reviews.

Schools participating in the FSA programs must cooperate with program reviews and audits conducted by representatives of the Department and the Office of the Inspector General.

UPDATING SCHOOL APPLICATION DATA

Expanding eligibility

The ECAR that the Department sends to the school identifies the educational programs and locations that are eligible. (The eligibility of a school and its programs does not automatically include separate locations and extensions.) If a school wishes to extend its eligibility to include a location at which at least 50% of an education program is offered, or to provide aid to students in an educational program that is not listed on the ECAR, the school must ensure that it applies and receives approval for any new educational program or location.

For a school that is new to the FSA programs, new additional locations will not generally be allowed during the initial provisional certification period. Applications for adding additional locations are usually not considered until the school has submitted a compliance audit covering a full year of participation, and that audit has been reviewed by the Department.

Generally, schools in their initial period of participation may not award FSA funds to a student in an educational program that is not included in the school's approval documents. During the initial period of participation in the FSA programs for the school, the Department will not approve additional educational programs that would expand the school's eligibility.

An exception would be considered if the school demonstrates that the program has been legally authorized and continuously provided for at least two years prior to the date of the request. "Continuously provided" includes the requirement that there have been students enrolled and attending the program for the entire two-year period, with no gaps other than for normal, scheduled vacation breaks and holiday periods, or for a period when the school temporarily closed due to a natural disaster that directly affected the school or its students.

Reporting changes

A school is required to report changes to certain information on its application within 10 calendar days, as listed in the chart on the following pages. If a change occurs in an E-App item not listed on the following pages, the school must update the information when it applies for recertification.

When a school submits an E-App to report a change, if further action is needed, the Department will tell the school how to proceed, including what materials and what additional completed sections of the E-App need to be submitted. If you have questions about changes and procedures, you should contact the School Participation Division for your state.

Updating & Recertification

Schools must apply for recertification 3 to 6 months prior to the expiration of their PPA. The Reapplication Date indicated on the PPA is the deadline for submitting the recertification application through the E-App website. While ED will send reminder notices about this requirement, the school is responsible for submitting the application by the deadline even if those notices are not received.

If ED receives an application no later than 90 days prior to the expiration date of the PPA and the application is materially complete when submitted, the school will automatically be placed on a month-to-month certification until ED issues its decision on the application.

During the recertification process, the school must report updated information to ED.

If the school remains eligible to participate in the FSA programs, a new PPA will be issued at the end of the recertification review process. The school may remain on provisional certification or may be fully certified. After the initial approval, schools may be recertified for up to 4 years. After the first recertification, schools are typically recertified for 3 to 6 years. However, schools that fail to meet the eligibility requirements may be denied recertification.

E-App changes requiring prior written approval from ED

All schools must report and wait for written approval from the U.S. Department of Education before disbursing funds when the following occur:

1. a change in accrediting agency (notify the Department when you begin making any change that deals with your school's institution-wide accreditation)

2. a change in state authorizing agency

3. a change in institutional structure

4. an increase in the level of educational programs (e.g. associate degree to baccalaureate degree programs, baccalaureate degree to graduate degree programs, etc.) beyond the scope of current approval

5. the addition of short-term (300–599 clock-hour) programs

6. the addition of a direct assessment program for the first time or at a new level of offering or any comprehensive transition and postsecondary programs

7. changes to the FSA programs (Pell Grants, Direct Loans, etc.) for which the school is approved**(approvals from your accrediting agency and state authorizing agency are not required for this change)

8. a change in ownership

9. a change in the type of ownership

10. the addition of an accredited and licensed location if the institution would be subject to a loss of eligibility under the cohort default rate regulations (34 CFR 668.188) if it adds that location

11. the addition of an educational program or a location at which the school offers or will offer 50 percent or more of an educational program if a school

    a. is provisionally certified; or

    b. is on the cash monitoring or reimbursement system of payment; or

    c. has acquired the assets of another school that provided educational programs at that location during the preceding year, and the other school participated in the FSA programs during that year; or

    d. has been advised by the Department that the Department must approve any new location or program before the school may begin disbursing FSA funds.

When one of the changes that requires the Department's written approval occurs, a school must notify the Department. The school must apply to the Department for approval of the change via the E-App within 10 calendar days of the change (in the case of a change in ownership, 10 business days). As soon as the school has received approvals for the change from its accrediting agency and state authorizing agency, it must submit to the Department
- copies of the approval for the change,
- any required documentation, and
- Section L of the E-App containing the original or electronic signature of the appropriate person.

* Following the approval of the school's direct assessment program by the Department, additional direct assessment programs at an equivalent or lower academic level may be determined to be eligible without further approvals from the Department. However, these programs must be reported to the Department within 10 days of the change. Approval is required when the institution offers a direct assessment program at a different level of offering than what was previously approved.

** For TEACH Grants, select "Add TEACH Grants" and then use question 69 to explain the eligibility criteria that your school meets for TEACH participation.

E-App changes that do not require the Department's written approval

All schools must report the following information to the Department, but they do not need to wait for the Department's approval before disbursing funds:

1. a change to name of the school*
2. a change to the name of a CEO, president, or chancellor
3. a change to the name of the chief fiscal officer or chief financial officer
4. a change in the individual designated as the lead program administrator (financial aid administrator) for the FSA programs
5. a change in governance of a public institution
6. a decrease in the level of program offering (e.g., the school drops all its graduate programs)
7. a change from or to clock hours or credit hours
8. a change in the length of a program in credit/clock hours or weeks of instruction
9. the addition of a second or subsequent direct assessment program at the same level of offering as a program that was approved by the Department*
10. an address change for a principal location*
11. a name or address change for other locations*
12. the closure of a branch campus or additional location that the school was required to report
13. the addition of an accredited and licensed location under certain conditions (34 CFR 600.20(c)(1))
14. change to the school's third-party servicers that deal with the FSA program funds
15. changes related to non-degree/gainful employment (GE) programs, including
    a. ceasing to provide the program for at least 12 consecutive months,
    b. losing program eligibility,
    c. changing the program's name, CIP code, or credential level

When one of these changes occurs, a school must notify the Department by reporting the change and the date of the change to the Department via the E-App within 10 calendar days of the change. In addition, a school must submit to the School Eligibility Service Group

- any required supporting documentation, and
- Section L of the E-App containing the original signature of the appropriate person.

* For programmatic changes that only require the school to notify the Department, that notification must be provided at least 10 days before the first day the school intends to offer classes in the program.

Foreign school reporting on the E-App

In addition to—or, where appropriate, instead of—the information listed above, a foreign school must report changes to its postsecondary authorization, degree authorization, program equivalence, or program criteria to its U.S. administrative or recruiting office.

A foreign medical school must report changes to the facility at which it provides instruction, its authorizing entity, the approval of its authorizing entity, the length of its program, or the clinical or medical instruction that it provides in the U.S. It must report and wait for approval of an added location that offers all or a portion of the core clinical training or required clinical rotations unless the location is accredited by the Liaison Committee on Medical Education (LCME) or American Osteopathic Association (AOA). A foreign medical school must report, but is not required to wait for approval of, an added location that offers all or a portion of the clinical rotations that are not required; reporting of such a location is not required if the location is accredited by the LCME or AOA or if it is not used regularly but is chosen by students who take no more than two electives at the location for no more than a total of eight weeks.

A foreign veterinary school must report changes to the clinical instruction that it provides in the United States.

Other changes reported on the E-App

- Change of address for FSA mailings to an address different than the legal street address
- Change of address for FSA mailings to an additional location that is different than the legal street address
- Change of taxpayer identification number (TIN)
- Change in board members
- Reporting foreign gifts
- Change to an institution's website address
- Change of phone/fax/email of CEO, president, or chancellor
- Change of phone/fax/email of CFO
- Change of phone/fax/email of financial aid administrator

Participating in FSA Systems

All schools that participate in the Federal Student Aid programs must be able to exchange student and other data through the Department's electronic systems. This chapter discusses the major FSA systems that are used to track the student's eligibility, payments, and cumulative aid received, and to adjust school authorizations.

OVERVIEW OF FSA SYSTEMS, WEBSITES, AND SOFTWARE

There are many different kinds of data exchanges between schools and FSA systems, and virtually all of them are conducted online. The key student records that your school is required to share with the Department are

- the Institutional Student Information Record (ISIR) generated by the Central Processing System (CPS), which contains student data from the FAFSA and other federal databases,
- the "common record" for the Common Origination and Disbursement (COD) system, which contains award and payment information for FSA grants and Direct Loans,
- the Enrollment Monitoring Report through the National Student Loan Data System (NSLDS), which is used to establish a student's eligibility for in-school loan deferments (even if your school does not offer FSA loans), and
- the Transfer Monitoring Report through NSLDS, which is used to track aid that may have been received by a transfer student at a previous school.

Individual student records are typically combined into "batch files" for convenience. To exchange these batch files with FSA systems, you will need to enroll for an electronic mailbox or "Destination Point" at the Student Aid Internet Gateway (SAIG). Batch files make it easy to submit data for many students at one time because they can usually be generated from databases kept at your school.

Some schools use local PC or mainframe software to view and correct student records such as the ISIR and COD common record.

Schools may also view and edit these records directly on the Web. Therefore, you'll also need to enroll for access to the CPS, COD, and NSLDS websites, as described later in this chapter. Using a website rather than submitting a batch file may be practical if you only need to report for a small number of students, for instance, reporting recent transfer students to NSLDS. We'll discuss some of your system and software options in the next chapter.

CHAPTER 2 HIGHLIGHTS

o Enrolling in SAIG
   SAIG Mailbox/Destination Point used for student records ((ISIRs and COD Common Records, DL, and NSLDS reports)
   School must designate Destination Point Administrator (DPA)
   DPA must sign and submit SAIG enrollment form
   Also use SAIG Enrollment site to sign up for eCDR packages, FISAP (Campus-Based schools), CPS online access, and NSLDS online access
o Using the SAIG site to enroll in other FSA systems
   FAA Access to the CPS
   NSLDS
o Enrolling in COD
   School must designate COD Security Administrator
   Contact COD School Relations
o Enrolling in the G5 payment system
o Enrolling in eZ-Audit
o Enrolling in the eMPN website
o Surveys & reports
   IPEDS
   Campus Security
   Equity in Athletics

Beginning Direct Loan participation

Send your email request to CODSupport@ed.gov, and include:

- Name of the school
- Address including city, state and zip code
- Person requesting participation (financial aid director or an official listed on the E-App), with email and phone number of the official
- OPE ID, COD ID, and UEI number
- Request for federal school code (if not yet assigned)

Unique Entity Identifier (UEI)

On April 4, 2022, the unique entity identifier used accross federal government changed from the DUNS Number to the Unique Entity ID (UEI) generated by SAM.gov. Visit the SAM website for additional information.

NEW

College Navigator website

Student enrollment, default rates, crime statistics, and other information provided by the school through the IPEDS surveys is used to populate the College Navigator website, which enables prospective students and their parents to search and compare characteristics of postsecondary schools. The College Navigator site is maintained by the National Center for Education Statistics. https://nces.ed.gov/collegenavigator/

Receiving FSA funds

To receive FSA funds your school will also need to enroll in the Department's G5 payment system. Drawing funds from G5 and disbursing it to students will usually be the responsibility of your business or fiscal office.

Schools that participate in the Campus-Based programs can access the *eCampus-Based* system through COD to report prior-year data and to apply for funds for the coming year.

Beginning participation in Direct Loans

If your school has applied to participate in the Direct Loan program and has been approved (as indicated on the ECAR), you must send an email request to the COD School Relations Team to begin actively participating in the Direct Loan program (see sidebar).

If you are enrolling an additional location for its own DL code separate from the main campus DL code, you must first obtain a unique enitity ID (UEI) number for the additional location. You must also ensure that the location and its (UEI) number have been reported through the E-App and that your school has received ED approval for the location. (If you do not have a (UEI) for a location, you can visit the SAM website to have a number assigned.)

If everything is in order, your school will receive a welcome letter that will include a Direct Loan Code and will explain the next steps in the process.

Other Web data exchanges

Schools must use electronic processes to submit and receive school performance data with the Department, such as the Cohort Default Rate (*eCDR)* process.

Also note that your school is required to submit audits and financial information through the *eZ-Audit* website; your school enrolled in this site as part of its initial application for eligibility.

Finally, schools need to use other Department websites to report information that is not directly related to the FSA programs:

- *IPEDS surveys.* Student enrollment, graduation rates, and other school characteristics.
- *Campus Security report.* Annual report of crimes committed on the school's campus.
- *Equity in Athletics report.* Participation rates, financial support, and other information on men's and women's intercollegiate athletic programs.
- *Foreign Gifts and Contracts report.* Institutions are required to report gifts from and contracts with a foreign source valued at over $250,000 at https://partners.ed.gov/ForeignGifts.

ENROLLING IN SAIG

Purpose

By enrolling to participate in the **Student Aid Internet Gateway (SAIG)**, your school can begin to exchange student data electronically with FSA systems through one or more SAIG mailboxes (destination points). Your SAIG enrollment also controls access to several FSA websites and systems, such as FAA Access to CPS Online (including CPS batch services), NSLDS Professional Access Online, NSLDS batch services (enrollment rosters) and

COD. There is a single login for these systems that uses one FSA User ID and password. In addition, the Access and Identity Management System (AIMS) utilizes tools and technologies that ensure secure access of FSA systems. Users will be asked to provide identity authentication such as the use of soft tokens, in order to access FSA systems.

How it works

Your school determines which services it needs and which staff to enroll as destination point administrators (DPAs). Your school must designate a primary DPA. This is the only person within the organization who may enroll other staff for additional SAIG destination points (mailboxes) and associated services.

The primary DPA can use the SAIG Enrollment website to add or remove users, edit information about the entity, or change the entity's enrollment in various SAIG services. The primary DPA may choose to enroll additional DPAs with individual mailboxes for each service or function or combine services and functions within a single SAIG mailbox.

How to enroll in SAIG

Initial enrollment is completed online. To sign up for an SAIG mailbox, go to the SAIG Enrollment homepage and select "Initial Enrollment for Services." You will need the following information:

- Your school's OPEID number, federal school code, and Direct Loan code (if participating in Direct Loans). Federal school and Direct Loan codes will be sent after your school receives its initial Title IV certification.
- Name, address, Social Security number (SSN), and date of birth for each destination point administrator.

After completing the online enrollment process, you will be instructed to print, complete and sign the enrollment signature documents. Be sure that:

- each DPA reads and signs the *Responsibilities of the Destination Point Administrator* statement.
- you have obtained the necessary signatures for the responsibilities section of the certification form. By signing this form, your school certifies that each DPA will follow the security requirements for permitting other people to use his/her destination point. (Your president, CEO, chancellor, or equivalent persons can designate another person to be your school's responsible authorizing official.)

Mail the completed documents to CPS/SAIG (see the sidebar).

CPS/SAIG customer service will contact your school with the processed enrollment information and TG number for that mailbox (destination point). The DPA will also receive the processed enrollment information by mail or email. DPAs must contact CPS/SAIG customer service to activate the TG number for that mailbox.

SAIG user statements must be kept on file at your school.

SAIG enrollment

To complete your SAIG enrollment form go to:
https://fsawebenroll.ed.gov/

For assistance, contact:
CPS/SAIG customer service:
1-800-330-5947
cpssaig@ed.gov

Mail, email, or fax SAIG signature page

CPS/SAIG technical support
2450 Oakdale Blvd.
Coralville, IA 52241
Fax: (319) 665-7662
Email: cpssaig@ed.gov

DPA and NSLDS

Only the DPA for a destination point can access the NSLDS website using the TG number for that mailbox. Other users of that mailbox have access to all of the batch files sent to that mailbox, including enrollment and transfer monitoring reports.

A DPA can enroll additional staff in NSLDS Online by going to the SAIG enrollment website and selecting "Add Another NSLDS OnLine User." Note that each additional NSLDS user will have his or her own SAIG mailbox and TG number and will be the DPA for that mailbox.

Other SAIG users

In addition to participating schools, third-party servicers as well as agencies and lenders still associated with the discontinued FFEL program use SAIG mailboxes to exchange data with ED.

Services available through the SAIG mailbox

You may enroll for the following services through the SAIG website using your school's OPEID or other identifier (as indicated):

- **Central Processing System** (CPS)
  [federal school code] Submit initial FAFSAs, FAFSA corrections and/or receive ISIRs

- **Pell Grant Processing** (COD System)
  [Pell code] Submit and receive Pell Grant payment data

- **Direct Loan Processing** (COD system)
  [Direct Loan code] Submit and receive Direct Loan award/payment data

- **Direct Loan Servicing**
  [Direct Loan code] Submit and receive Direct Loan reports

- **Direct Loan Borrower Delinquency Report**
  [Direct Loan code] Receive Direct Loan Borrower Delinquency Report

- **NSLDS Batch**
  [OPEID] Submit and receive NSLDS batch files: financial aid history/transfer student monitoring, enrollment roster files

- **NSLDS eCDR**
  [OPEID] Receive the electronic Cohort Default Rate report

- **NSLDS Professional Access**
  [OPEID] website to update NSLDS information: loan history, Pell Grant, enrollment history, overpayment history, enrollment reporting schedule, data provider schedule, online reports, transfer monitoring, and origination contacts. Schools also have an option to select enrollment access and/or overpayment updates.
  NOTE: Only the DPA for a mailbox can have access to NSLDS Online, so you will have to create a separate SAIG mailbox for each staff member who needs online access to NSLDS.

- **FISAP/eCampus-Based** (COD System)
  [OPEID] Participate in Campus-Based Programs

Adding users to SAIG mailbox(es)

The DPA can give multiple individuals (SAIG users) access to the SAIG mailbox by obtaining signatures on the SAIG user statement.

Access to the data files in your SAIG mailbox(es) is controlled through your local software (e.g., EDConnect or equivalent software) as discussed in Chapter 3.

What is a TG number?

Each destination point (electronic mailbox) is assigned an address known as the TG number. It is a five-character alphanumeric string preceded by the letters "TG," such as "TGA0001."

Adding or updating SAIG mailbox information

To add a new destination point (SAIG electronic mailbox with assigned TG number) or designate a new individual as DPA, you will need to submit a new SAIG enrollment form. Signature pages are also required when changing authentication information (SSN, date of birth, password), enrolling for eCDR services, and adding or changing services if the destination type is listed as "Third-Party Servicer."

You may use the SAIG website to modify existing services for a destination point, change demographic information, delete a destination point, or enroll for a test mailbox identification number. (The SAIG website can also be used to update enrollment information for the CPS, COD, and NSLDS websites.)

ENROLLING IN FAA ACCESS TO CPS ONLINE

Purpose

The FAA Access to CPS Online website enables you to view and correct aid application information for students who are considering attending your school. (FAA stands for "financial aid administrator.") You must use the **Identity Verification Results** feature to provide the required results of verification of students who are selected to verify their identity and high school completion status (Verification Tracking Group V4 or V5).

In addition, you can use this site to enter FAFSA or renewal FAFSA information for a student; View a student's Student Aid Report (SAR); Compare two ISIR transactions for the same students using **ISIR Compare**; Submit a signature flag for an application in a signature hold status using the **Standalone FAA Signature** feature; and request ISIR data from CPS.

How it works

The Central Processing System (CPS) is used to:

- Collect and check the information that the student submits on the *Free Application for Federal Student Aid*,

- Calculate the expected family contribution (EFC) that you use to award FSA funds, and
- Check certain information on the application against several major federal databases, including Social Security, Selective Service, Immigration (Department of Homeland Security), and the National Student Loan Data System (NSLDS).

The student's application information is sent to your school in the form of an Institutional Student Information Record (ISIR), which includes comments (resulting from CPS review of the application information) and the student's financial aid history from NSLDS. This electronic document serves as the basis for any later corrections or adjustments.

How to enroll in and add users for FAA Access to CPS

Your school must get an SAIG mailbox as described in the previous section. After that is done, the DPA assigned to the mailbox that is used to send and receive FAFSA and ISIR correction data will automatically have access to the FAA Access to CPS Online website, and, using the TG number for the mailbox, he or she can set up access for additional users from the SAIG enrollment site.

The DPA—who, as owner of the TG number, always has full rights—can enroll new users with the same access rights or can choose specific processing year cycles and the level of access (read or write). *Read access* means that the user can view but not change data, while *write access* enables the user to view and change the data. If your school has multiple locations with different federal school codes, the DPA can limit which campuses the user can access in order to view, add, or update records.

The DPA must complete and print an FAA user statement for each employee to be granted CPS Web access, and your school must keep a copy of the statement in its files. To add more users, the DPA must return to the "Add a new FAA User" screen and repeat this process.

Newly enrolled users will receive an email message with a link to the online enrollment system. During the enrollment process the user will select and respond to several challenge questions and establish a password. Once enrollment is complete, the user will be emailed his or her FSA User ID.

Changing an existing FAA user or user rights

A DPA can also use the SAIG Enrollment site to make changes to information and access rights for existing users. Select the "Enroll for FAA Online Access" icon on the first page and provide the TG number for the mailbox used to send and receive FAFSA and ISIR correction data. By selecting the "View/Change an Existing FAA User or User Rights" tab, you can begin to make the changes to your SAIG enrollment form. Once you have updated the record, you can select additional users to change/update if needed.

FAA Access to CPS

• • • • • • • • • • • • • • • • • • • •
FSA User ID and Password

Be sure that you enter a valid email address for the person you are adding on the demographic information page. An email containing the FSA User ID will be sent to that address.

The FAA Access to CPS Online website is found in the Knowledge Center under the *Financial Aid Delivery* tab. From there, select *Application and Verification* and click on *FAA Access.*

ENROLLING IN THE COMMON ORIGINATION & DISBURSEMENT SYSTEM (COD)

Purpose

The **Common Origination & Disbursement System (COD)** enables your school to set disbursement amounts and dates for students who are eligible to receive FSA grants (Pell and TEACH) and Direct Loans.

How it works

You may send new and updated student records to the COD system by sending batch files through your SAIG mailbox, or create or update records on the COD website.

You can use the COD website to view award/disbursement records (for FSA grants and Direct Loans) that your school has transmitted to the COD Processor, as well as other documents and reports processed by COD.

Enrolling in the COD website

The primary DPA enrolls in COD during the SAIG sign-up and creates new user profiles through the SAIG Enrollment site to give access to other users at your school. The primary DPA can set different user levels for COD website users and is the only one who can add and update processing options, create new users, update user profiles, lock/unlock users, reset user passwords, and add, edit, and delete school messages.

The primary DPA can also update the Pell Grant officer and Direct Loan officer contact information/mailing address(es). However, updates to the school name, address (including any additional locations), and school officials' (president, chief financial officer, and financial aid administrator) information must be made through an update to the E-App.

ENROLLING IN NSLDS PROFESSIONAL ACCESS

Purpose

The National Student Loan Data System (NSLDS) is used to track the enrollment status of student loan borrowers. This information is shared with servicers for purposes of loan deferment. (A student who is attending an eligible postsecondary school at least half-time is usually eligible for in-school deferment). In addition, NSLDS is also used to track the enrollment status of TEACH Grant recipients (for purpose of service obligation).

Schools participating in the FSA programs must use NSLDS to track the grant and loan amounts received by a transfer student at other schools to ensure that the student does not exceed annual or aggregate award limits.

How it works

NSLDS is a comprehensive database of students and parents who have received FSA grants or loans. The financial aid history and enrollment status of FSA recipients is reported to NSLDS by COD, schools, lenders, loan servicers, and guaranty agencies. All schools participating in FSA programs must have at least one destination point for NSLDS services that includes online enrollment reporting.

The Central Processing System (for the FAFSA) retrieves the student's financial aid history from NSLDS and adds it to the ISIR that is sent to the school so that a financial aid administrator can determine if the student has received aid at other schools that must be counted towards the annual or

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COD website features

- view, update, and create award and disbursement data
- view reconciliation and drawdown information
- calculate Return of Title IV (R2T4)
- access eCampus-Based and complete FISAP
- add and edit messages along with transmitting various data to the Department

https://cod.ed.gov/

COD School Relations Center

1-800-848-0978
or
CODSupport@ed.gov

aggregate award maximums.

Note that your school is also required to send identifying information for transfer students to NSLDS so that the NSLDS system can notify schools of aid payments that had not been recorded by NSLDS at the time of the ISIR match. In some cases, you may also need to use the NSLDS website to check the student's records to resolve conflicting information.

A school must report the enrollment status for all FSA borrowers at the school, even if the student's FSA loans were awarded at another school. Enrollment status reporting is very important because it ensures that the student qualifies for in-school deferment on loan repayment. Therefore, schools are required to complete NSLDS Enrollment Reporting regularly. Many schools arrange for the enrollment reporting function to be managed by a third party.

How to exchange NSLDS batch files

To receive NSLDS batch files through SAIG, a DPA must be enrolled in NSLDS services using the SAIG enrollment site. The primary DPA automatically has access to "Default Services," which includes transfer student monitoring, enrollment reporting, and Perkins Loan data. A DPA may also select enrollment access and/or overpayment update to enter information.

The primary DPA can use the SAIG enrollment site to enroll staff to submit and receive NSLDS batch files through the same SAIG mailbox. But only the DPA for that mailbox will be able to use the NSLDS Professional Access website. As explained below, other DPAs may access that website with their own SAIG mailbox (with assigned TG Number).

How to enroll in NSLDS Professional Access

The primary DPA enrolls in NSLDS Professional Access through the SAIG enrollment process. Because, as noted, only the DPA for the SAIG mailbox can have access to the NSLDS website, the primary DPA will have to set up additional SAIG mailboxes for staff who need access to the NSLDS website. (Note that individuals with defaulted federal student loans will not be granted access to NSLDS.)

From the SAIG enrollment site, the primary DPA can select "Add Another NSLDS Online User," and follow the instructions to enroll a new user for NSLDS online access. When the new user's application is approved, his or her FSA User ID and instructions to create a password will be sent by email.

The first time a new user accesses the NSLDS website, he or she will be asked to choose a new password to replace the default password. The password is valid for 90 days and may be updated by selecting "Change Password" on the NSLDS site.

NSLDS PROFESSIONAL ACCESS

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NSLDS website, customer service center

NSLDS Professional Access
https://nsldsfap.ed.gov/

1–800–999–8219, Monday through Friday from 8 a.m. to 9 p.m. ET

● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ●

Transfer monitoring

Your school must complete a school transfer profile on the NSLDS website prior to submitting transfer monitoring information.

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Individual SAIG mailboxes required for NSLDS Web access

NSLDS Professional Access requires each online user to have a destination point (SAIG mailbox with assigned TG number). Only primary DPAs are permitted to enroll additional destination points under the organization's hierarchy.

A school uses the G5 payment system to request funds for

- Pell Grants
- Iraq & Afghanistan Service Grant
- TEACH Grants
- Campus-Based programs (FSEOG and Federal Work-Study)
- Direct Loans (Subsidized, Unsubsidized, and PLUS)

- -

G5 references

Website: https://www.g5.gov/

For questions, call the G5 Hotline at 1-888-336-8930 or send an email to edcaps.user@ed.gov.

U.S. Department of Education
Office of the Chief Financial Officer
Financial Management Operations
550 12th Street, S.W., Room 6009
Washington, D.C. 20202-4328

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Bank account requirements

The bank account(s) into which ED transfers FSA funds must be federally insured or secured by collateral of value reasonably equivalent to the amount of FSA program funds in the account. A school generally is not required to maintain a separate account for each FSA program. It may establish multiple accounts. If your school participates in the Direct Loan program, ED suggests that you maintain separate accounts for Pell and Direct Loans to facilitate program reconciliation and record keeping if you establish a separate account for the Direct Loan program, you must complete and submit a separate Direct Deposit Sign-Up Form (SF1199A) for each account.

The school must identify that FSA funds are maintained in the account by including the phrase "federal funds" in the account name.

ENROLLING IN THE G5 PAYMENT SYSTEM

Purpose

The G5 payment system is used to request and receive funds, report expenditures, adjust drawdowns, and access current program awards and payment information. Your school must establish a user ID with G5 to draw and receive Federal Student Aid funds.

How it works

Schools request federal cash electronically using the G5 website, ED's program management system. Before you can use G5, your school must be registered with the System for Award Management (SAM) and have received a Program Participation Agreement (PPA) from the Department. To begin using the G5 payment system, you must obtain a G5 user ID and password, provide your school's UEI number, and provide bank account information. Note: In April of 2022, the federal government stopped using the DUNS number to uniquely identify entities registered with the System for Award Management (SAM). Entities doing business with the federal government must use a Unique Entity Identifier (UEI) created in SAM.gov. Review Electronic Announcement (EA General 21-28) for additional information.

Obtaining a G5 user ID and password

To access the G5 system, payee representatives must have individual G5 accounts under their personal name and unique address, with the Payee or Servicer role assigned and associated to the UEI of the payee organization. To establish a G5 payee account, go the "Not Registered? Sign Up" link on the G5 home page (see sidebar). Users will follow the prompts to create an account. When prompted to select a role, choose "Payee (Full Access", "Payee (View Only Access)", "Servicer (Full Access)" or "Servicer (View Only Access)," and enter the requested information, including the UEI of the payee organization and click "Submit." This will generate an External User Access Request Form, which must be printed out, signed by an authorizing official of the payee organization, and notarized (universities may use a university stamp). The forms should be scanned or filled out electronically and emailed to edcaps.user@ed.gov. Please visit the G5 website for more information.

Providing bank information

Funds requested from G5 will be transmitted to the payee's bank account using either the Automated Clearing House (ACH) or the FEDWIRE transmission method. A payee designates its method of transmission when providing its bank account information.

ACH users must complete a Direct Deposit Sign-Up Form (SF1199A), which can be obtained from the bank or the G5 website. (The bank must complete and sign Section 3). Fedwire users must complete the Fedwire Form, which is also available on the G5 site.

The school must send a copy of its PPA with a cover letter (written on official letterhead) requesting the new bank account (or change to bank account information) to the Office of Chief Financial Officer, Department of Education. The letter must include the payee UEI number, email address for the person to receive automated notification, and original signature and phone number of the person requesting the bank information.

The program (PR) award number

The program award number is a unique, eleven-character number that identifies each program award issued by a specific office to a specific grantee. You will need to request and return all ED funds by the specific program award number.

Responding to ED surveys and submitting reports

IPEDS surveys

Schools that participate in the FSA programs are required to respond to Integrated Postsecondary Education Data System (IPEDS) surveys in a timely and accurate manner. The surveys collect data on:

- Institutional characteristics
- Finance, student financial aid, and human resources (employees by assigned position, salaries, etc.)
- Enrollment, completion, and graduation rates

The keyholder is the person responsible for ensuring that all data are submitted accurately and that all surveys are locked. There is only one keyholder per school, but the keyholder can generate additional user IDs and passwords for up to 6 people who can enter data.

If your school is not already registered and submitting IPEDS surveys, it must become an IPEDS institution upon gaining eligibility. Access the IPEDS website, and click on "Report Your Data" and then "Request to be an IPEDS Institution" to complete the online request form. IPEDS also provides training to new users.

Help desk: (877) 225-2568 and ipedshelp@rti.org

Campus crime reporting

Schools are required to submit an annual statistical report to ED on campus crimes. The survey data is collected through the Department's Campus Safety and Security Survey (requires a user ID and password).

More detailed information on campus crime reporting and the annual security report are provided in *The Handbook for Campus Safety and Security Reporting*.

The Handbook defines the categories of crime and procedures for reporting them, as well as the requirements for timely warnings and maintenance of a daily crime log.

Each year in the late summer, a letter and a registration certificate from the U.S. Department of Education are sent to the institution's president or chief executive officer. The certificate includes the user ID and password needed to access the Campus Safety and Security Survey website.

Survey: https://surveys.ope.ed.gov/campussafety/
Handbook: https://www2.ed.gov/admins/lead/safety/campus.html

EADA on the Web

Coeducational schools that participate in the FSA programs and have an intercollegiate athletic program must submit an annual report on athletic participation and financial support. This is referred to as the Equity in Athletics Disclosure Act (EADA) report.

Each year in August a letter and registration certificate are sent to the institution's president or chief executive officer. The certificate includes the user ID and password access the EADA Survey and the due date for completion of the survey. https://surveys.ope.ed.gov/athletics/

For help with this site, send an email to eadahelp@westat.com.

Prospective students, their families, and the public can view the EADA reports for participating schools on the Web. https://ope.ed.gov/athletics

Software & Security Considerations

This chapter gives an overview of the software and security issues that must be considered when planning how your school will process FSA data and reports. The security of personal and organizational data is important, and federal law requires schools to have an information security plan. This chapter may help you develop it.

SOFTWARE PROVIDERS

While your school is required to have at least one SAIG mailbox and to enroll in FSA systems such as the CPS, COD, and NSLDS, the Department doesn't specify what software must be used at your school to open, create, or correct FSA records and reports.

As a service to participating schools, FSA provides free PC-based software to transmit and receive data over the Internet (EDconnect) and to assist with student application, packaging, origination and disbursement records, cash management, and reconciliation functionality (EDESuite; EDExpress and Direct Loan Tools).

However, schools may choose to use software developed by third-party vendors, or develop their own PC or mainframe-based software programs to work with FSA records and reports. Some of the more sophisticated software products have the advantage of being able to share information with other offices at your school—for instance, enrollment data with your bursar's office and payment information with your business office.

If you choose a third-party software product, you are responsible for ensuring that it can perform the necessary functions to open, edit, and create FSA student records and reports. (In particular, your software must be able to send and receive COD records in XML format.) Ultimately, the responsibility for ensuring the timeliness and accuracy of electronic data rests with your school.

SECURITY ISSUES

Because student aid records contain personally-identifiable information that is quite sensitive, your school must take special care to ensure that only appropriate members of the administrative staff are able to view and edit those records. The person who configures the security settings in EDExpress is usually referred to as the "systems administrator." The systems administrator can be one of the destination point administrators identified in the SAIG enrollment process, as discussed in Chapter 2, or it may be someone at your school who has general responsibility for the installation of new software and network security. In either case, the person configuring the software should carefully consider how it will be used and the types of access required for each user.

CHAPTER 3 HIGHLIGHTS

o Software Providers
  Communications software: EDconnect
  Data processing: EDExpress, mainframe, & 3rd party software
o Security issues
  SAIG mailbox and destination point administrator
  FSA website access
  Software permissions
o Options for controlling data flow & user access
  Creating SAIG mailboxes
  Setting user permissions in the software
  Setting file paths
o Examples
  Single and multiple mailboxes
  Password protection policies

ED Software downloads

FSA software, related manuals, and technical references can be downloaded online.
https://fsapartners.ed.gov/knowledge-center/topics/software-and-other-tools

For help installing the software, call CPS/SAIG technical support at 1-800-330-5947 or email CPSSAIG@ed.gov.

Security precautions

- Ensure that the workstation or network drive which your EDExpress database sits on is secured and password-protected and that the workstation is locked when you are not present.
- Exit EDconnect and EDExpress completely when leaving a workstation for long periods.
- Have a unique user ID and password.
- Choose passwords that cannot be guessed easily.
- Don't leave login information in public view.
- Don't allow students to enter or edit any information in your software.
- Keep all personal information printed from software or ED websites in a secure place.
- Have the appropriate level of access.
- Close student records when updates are completed.
- Delete access for staff who are no longer employed or responsible for FSA program administration.

Managing permissions for school staff requires a little planning. Access to FSA data is controlled at three different levels:

- SAIG Mailbox—The destination point administrator (DPA) specifies what kinds of data are sent to a particular mailbox when the mailbox is created. The DPA also creates and updates the SAIG password for that mailbox, which is shared by all members of the security group that will be using that mailbox.
- FSA websites—The destination point administrator for a primary mailbox can enroll users for the CPS, COD and NSLDS websites. (NSLDS Web access requires the creation of a separate mailbox for each user.)
- EDconnect & EDExpress (or equivalent)—User permissions for software that is run on school computers are set locally, and the information about the school staff who are using the software is not transmitted to any of the FSA systems.

Because access is configured separately for Web users and software users, it is possible for a Web user to have access to some data that he or she cannot open in local software (or vice versa). In general, we recommend that you configure the access rights in EDconnect and EDExpress so that they are consistent with the permissions that you have established through the SAIG Enrollment Form, the SAIG website, and with COD School Relations. (See Chapter 2.) For instance, if you have given a user access to CPS data in EDconnect and EDExpress, then you would probably want to give that user the capability to view and edit ISIR data on FAA Access to CPS Online.

Local security

Since software programs such as EDconnect and EDExpress are used to access student records and build a database of student information, the school must be careful to restrict access to the software to those staff members who are authorized to view and/or change student records.

When software is installed on a server and will be used by multiple users, the systems administrator will assign access rights to each of the individual users.

OPTIONS FOR CONTROLLING DATA FLOW AND USER ACCESS

Creating separate SAIG mailboxes

One way to organize the exchange of FSA data is to create separate SAIG mailboxes for different kinds of data. For instance, you could establish one mailbox solely for ISIR data, and another mailbox solely for COD data.

The SAIG enrollment process gives you the choice of the following types of data for a mailbox:

- CPS—ISIR batch data, FAA Access to CPS Online services
- COD—Exchange Direct Loan or Grant Services, which includes Pell Grant, Iraq and Afghanistan Service Grant, and TEACH (Teacher Education Assistance for College and Higher Education) Grant data; COD Online services; FISAP, the Campus-Based programs, which includes FWS (Federal Work Study) and FSEOG (Federal Supplemental Educational Opportunity Grant) access and the Return of Title IV calculation tool
- NSLDS—Enrollment reporting, transfer student monitoring and/ or financial aid history, guaranty agency annual reasonability, exit counseling reports, electronic cohort default rate (eCDR), notification package, and NSLDS online services
- CSB—Direct Loan delinquency reports and borrower services
- FAFSA on the Web data transfer site
- Total and Permanent Disability (TPD) System—TPD loan holder notification
- Enterprise Complaint System (ECS)

In theory, you could have a different mailbox for each of these types of data, but at most schools it would make more sense to combine some of these categories into one mailbox. For instance, staff members working with default prevention could be served by a single mailbox that collected NSLDS batches, eCDR information, and Direct Loan borrower delinquency reports. Or a school might have one SAIG mailbox for Direct Loan data coming from the COD system but a different one for getting grant data from COD.

Also note that you will need to establish separate SAIG mailboxes for additional locations of your school if the locations have different federal school codes for purposes of FAFSA/ISIR data. Similarly, a school can obtain separate Direct Loan codes for approved additional locations, if it wants to set up a mailbox to receive DL data for just that location.

Setting user permissions in the software

If you are acting as the systems administrator and are setting up EDconnect or EDExpress software on a PC, you can set the access rights for each security group that you create. All of the users in a security group have the same access rights.

Information security requirements

Schools that participate in the FSA programs are required to follow Federal Trade Commission regulations, which require all financial institutions to develop, implement, and maintain a comprehensive information security program that includes administrative, technical, and physical safeguards designed to achieve the following objectives:

- insure the security and confidentiality of customer information,
- protect against any anticipated threats or hazards to the security or integrity of such information, and
- protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

For more information on these requirements, see *Volume 2, Chapter 7* of the *FSA Handbook*.

Destination points & TG numbers

Any SAIG mailbox or destination point is identified by its TG number.

Access to shared database files

For network setups, the executable files for EDExpress are loaded onto individual PC's, but the database file (***.accdb) is loaded onto a network drive. A student record in the database file can only be opened by one user at a time.

Changing default data directory in EDconnect & other software

When you change the default paths for files, you MUST make sure that you change them identically in EDconnect and your financial aid software (e.g., EDExpress) so the two software programs both know where to store and where to find student records. To change file paths in EDconnect, go to: *Tools/Setup/File.*

Your EDExpress security groups do not have to mirror your EDconnect security groups because the access rights that are being assigned are quite different. EDconnect controls the ability to send and receive files to and from FSA, and we recommend that you only establish one security group for each of your school's mailboxes. EDExpress controls the functions for working with the individual records (viewing, updating, printing, etc.).

- EDconnect—Security View > Properties. Since you will only create one EDconnect security group for each of your SAIG mailboxes, all of the users in that group have the same access to the mailbox. In other words, you cannot limit their access so that they can send/receive only certain types of files.
- EDExpress—Tools > Setup > Global > Security Groups. Because you can create multiple security groups in EDExpress, you can set very specific levels of access to different types of data (Global, App Express, Packaging, Direct Loan, Pell, TEACH, and COD). For instance, you could create a security group just for your counselors, with permission to view (but not edit) ISIR records, while another security group of more senior staff would have the ability to edit ISIRs, as well as access rights for COD data.

You can organize your security groups to control workflow. For instance, you might give your COD workgroup the ability to create and update common records but not give them the permission to transmit files in EDconnect. A member of the EDconnect security group for the SAIG mailbox would be responsible for sending and receiving files on a predetermined or *ad hoc* schedule. This would be one way to stage your work in larger batches.

Setting file paths

EDconnect automatically downloads NSLDS files into the default folder C:\NSLDS\Files. All other files (COD, CPS, PMESSAGES, etc.) are automatically downloaded to the default folder C:\IAM\DATA. If you change EDconnect to download or send non-NSLDS files to a location other than C:\IAM\DATA, use File Management in EDExpress to tell EDExpress where to look for the files.

You may find it convenient to have different types of data sent to different folders on a single-user PC or a network. This can be done by setting file paths in EDconnect. There are two ways to do this:

- EDconnect—Different file paths for each type of message can be set in the "Message Class Manager" in EDconnect. For instance, you could specify that all processed ISIRs be placed in a network folder on the "F" drive. To ensure the security of this data, use of the F drive would be restricted to counselors and other aid staff working with student aid applications and verification.

- EDconnect—User-specific file paths can be set in EDconnect so that when a user logs in, any files that he or she downloads will go to that user's designated folder. Note that this method can create problems if a user automatically downloads all files to his or her folder, including files that other users need.

Your systems administrator can provide an additional layer of security by controlling which users have access to the data kept in folders on a shared drive.

File paths—examples

Single-user file path
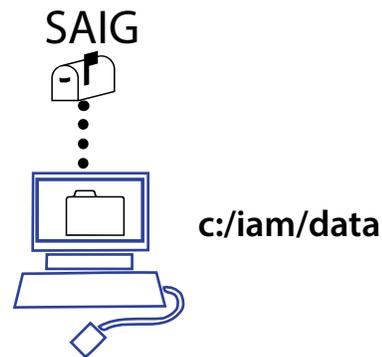
SAIG

c:/iam/data

Selecting a file path for a single user is relatively simple. Unless you specify otherwise, EDconnect will create a new folder on your PC's hard drive, using the file path c:/iam/data. EDconnect will download new data from your SAIG Mailbox to this folder. EDExpress will automatically look for this folder when preparing to open new files.

Network file path

SAIG

f:/iam/COD
f:/iam/CPS
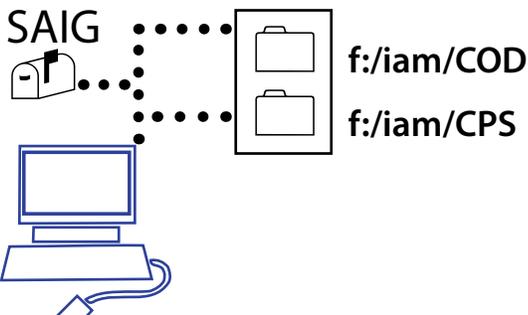
In a network environment with multiple users, you will probably want to set a file path that leads to a folder on a commonly-shared network drive. You also may want to create separate folders for different kinds of files. But you must be careful to specify these new folders when configuring EDExpress, so that it knows where to find new files.

SAIG mailbox rules and security groups

For each SAIG mailbox that it establishes, a school must designate at least one destination point administrator or DPA who is responsible for the security of the data sent and received through that mailbox.

- Only the DPA of one SAIG mailbox can have access to the NSLDS website.
- In EDconnect, there will be a "security group" of users at the school for each SAIG mailbox; users will have the same SAIG password and common access to that mailbox.
- In EDExpress, security groups have the capability to read and modify different types of files.

The EDExpress security groups are not necessarily associated with a particular mailbox and can have different users than the EDconnect security groups.

Security group setup examples

SAIG mailboxes at Career Tech: single security group

Career Tech has set up two SAIG mailboxes for the two members of its small financial aid office. Bill Frisell and Steve Lacy use the first mailbox to exchange CPS, COD, and NSLDS batch files. Because each NSLDS online user is the destination point administrator (DPA) of their own mailbox, Steve Lacy has a separate mailbox to receive files he requested from the NSLDS System. Both Bill and Steve are assigned to the same security group in the EDExpress software, in this case "Express Administration."

EDconnect
SAIG mailbox TG99991
☐ **TG99991**
SAIG password: Abc!1234
DPA: Bill Frisell, FSA User ID: bill.frisell.fsa
Steve Lacy, steve.lacy.fsa1

EDconnect
SAIG mailbox TG99992
☐ **TG99992 Steves NSLDS Mailbox**
SAIG password: Def1234!
DPA: Steve Lacy

EDExpress Software
☐ **Express Administration**
Bill Frisell
Steve Lacy
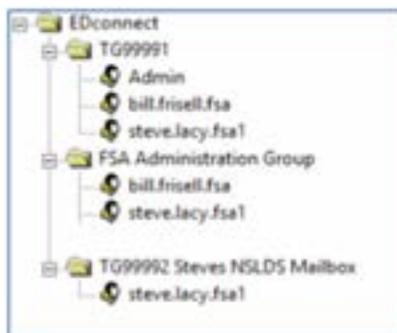
SAIG mailboxes for AEC University: multiple security groups

AEC University has a larger aid office and has set up separate mailboxes for staff who work with application data (ISIRs) and those who are responsible for Pell and Direct Loan awards (COD).
Each security group has its own TG number and SAIG password, which are used by all the users in that group. Note that Joseph Jarman belongs to both the COD and Apps Groups.
In addition, several of the staff have individual mailboxes so that they can have access to the NSLDS website.
AEC University uses a product called Finaid Software to create and modify student records. Staff members are given access to different types of records, depending on their responsibilities. The various security groups are listed on the right-hand side of the page.

EDconnect
SAIG mailbox TG00001
☐ **TG00001-COD**
SAIG password: xYz!4567
DPA: Lester Bowie
Don Moye
Joseph Jarman

FinAid Software
☐ **Admin Group**
Lester Bowie
Malachi Favors

FinAid Software
☐ **COD Users**
Don Moye
Joseph Jarman

Security group setup examples (continued)

AEC University (continued)

EDconnect
SAIG mailbox TG00002
🗁 **TG00002-Apps**
SAIG password: tUv3456!
DPA: Malachi Favors
Roscoe Mitchell
Joseph Jarman

FinAid Software
🗁 **Apps Users**
Roscoe Mitchell
Joseph Jarman

EDconnect
SAIG mailbox TG00003
🗁 **Dons NSLDS Mailbox**
SAIG password: qRs2345!
Don Moye

**FinAid Software**
🗁 **NSLDS Users**
Don Moye
Roscoe Mitchell

EDconnect
SAIG mailbox TG00004
🗁 **Roscoes NSLDS Mailbox**
SAIG password: Op6789n!
Roscoe Mitchell

SAIG mailboxes at TriState College: multiple locations

TriState College has campuses in three different locations, so it has requested and received a different federal school code for each campus. Therefore, Tristate has three different mailboxes for ISIR data.
(This example does not show TriState's other SAIG mailboxes for COD, NSLDS, etc.)

EDconnect
SAIG mailbox TG11112
🗁 **DC**
SAIG password: ghF1098!
DPA: Jessie Fausett
Ann Beattie

EDExpress Software
🗁 **Apps—DC Security Group**
Jessie Fausett
Ann Beattie

Security group setup examples (continued)

TriState College (continued)

EDconnect
SAIG mailbox TG11111
📁 **Virginia**
SAIG password: deF8765!
DPA: Willa Cather
Mary Lee Settle

EDExpress Software
📁 **Apps—Virginia Security Group**
Willa Cather
Mary Lee Settle

EDconnect
SAIG mailbox TG11110
📁 **Maryland**
SAIG password: abC4321!
DPA: John Barth
Upton Sinclair

EDExpress Software
📁 **Express Administration**
John Barth
Willa Cather

EDExpress Software
📁 **Apps—Maryland Security Group**
John Barth
Upton Sinclair

```
EDconnect
    DC
        jessie.fausett.fsa
        ann.beattie.fsa
    FSA Administration Group
        john.barth.fsa

    Maryland
        john.barth.fsa
        upton.sinclair.fsa
    Virginia
        willa.cather.fsa
        marylee.settle.fsa
```
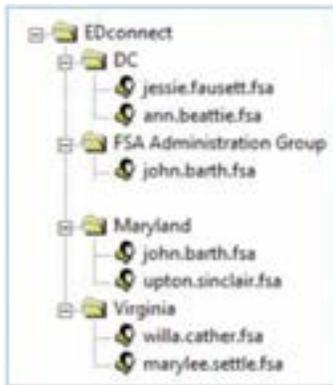
Password requirements

As a system owner/manager, you must ensure these security precautions are followed:

- Your systems should support authentication of individual users.
- Passwords should not be stored in clear text or in any easily reversible form.
- Regular changing of passwords should be systemically enforced in accordance with procedures outlined in the system security plan.
- Users should be warned when a password is about to expire and prompted to change a password that has expired.
- User accounts should be disabled after three consecutive invalid attempts are made to supply a password.
- Reinstatement of a disabled user account should require the assistance of a help desk technician or a system administrator.

FSA ID Password Requirements

The FSA ID password
- must have a minimum length of 12 characters
- must contain each of the following four types of characters:
    1. English uppercase letters (A-Z),
    2. English lowercase letters (a-z),
    3. Westernized Arabic numerals (0-9), and
    4. non-alphanumeric special characters, specifically !, @, #, $, &, *
- cannot contain any words that are easily guessed like dictionary words, names, or acronyms
- must contain at least four alphabetic characters
- cannot contain three or more identical characters in a row

EDExpress Password Requirements

The EDExpress password
- must be a minimum of 12 characters
- must include:
    1. at least one uppercase letter
    2. one lowercase letter
    3. one number, and
    4. one keyboard character that is not a letter or number (such as an exclamation mark or other punctuation symbol)
- requires a minimum of 24 password resets before allowing a password to be reused
- must be changed after 90 days

SAIG Password Requirements

The SAIG password
- must be a minimum length of eight characters
- must begin with an alpha character
- must contain at least two alpha characters of different cases (uppercase/lowercase) and at least one numeric character
- cannot be the word "PASSWORD" (uppercase, lowercase, or mixed case)
- cannot be the same as any of the previous five passwords
- will be locked out after three failures. (You must wait 30 minutes for your password to be unlocked. After 30 minutes, you can try again.)
- can contain special characters, but it is not required [SAIG passwords can contain special keyboard characters, such as @, #, and $, but because some computer platforms use certain special characters as command characters, we recommend avoiding % (percent), ^ (caret), & (ampersand), \ (backslash), / (forward slash), < (less than), > (greater than), and | ("pipe" symbol).]
- expires every 90 days

Appendix A: Getting Help

Once your school has begun participating in the FSA programs, we offer continuing assistance in a number of ways, including online tools, toll-free help centers that are designated for specific areas of FSA administration, and assistance from School Participation Divisions.

🏛 School Participation Divisions

You've already worked with your School Participation Division (SPD) during the application and certification process. You may also contact your SPD with questions related to the FSA programs, including when to update your school's information on the E-App website, how to get authorization from different FSA systems, and how to interpret federal regulations. The SPDs have different methods for assisting schools. Each SPD has specialists, with some SPDs assigning specific points-of-contact for each school or for specific types of assistance.

Current contact information for the School Participation Divisions is posted at https://eligcert.ed.gov/index1.html.

☎ FSA Contact Centers

Some systems require two-factor authentication (TFA) for access. With TFA, users log in to the Federal Student Aid systems with two types of information: 1) the FSA user ID and password and 2) a one-time password generated by a TFA token. School personnel can request either a hard token or an electronic token. To obtain a token or for help registering a TFA token, contact the TFA Support Center at 1-800-330-5947, option 2, or by e-mail at TFASupport@ed.gov.

Schools can call REACH FSA at 855-FSA-4FAA (855-372-4322) to reach any of the following FSA contact centers (except for AskaFed, which is email only).

CPS/SAIG

For help with software products such as EDconnect and EDExpress and for questions related to student information submitted through the CPS, SAIG, and web products such as FAA Access.

COD School Relations Center

For questions related to Common Origination and Disbursement (COD) and the Pell Grant, Iraq & Afghanistan Service Grant, TEACH Grant, and Direct Loan Programs.

School Eligibility

Information or questions on Title IV administration, program review, compliance audit, financial analysis or technical assistance and the E-App.

Campus-Based Programs Center

For questions related to the Campus-Based Programs, Fiscal Operations Report and Application to Participate (FISAP), and Federal Perkins Loan cohort default rates.

eZ Audit

For questions about financial statements and compliance audits submitted through the web.

G5 Hotline

For questions related to G5, the Department of Education's electronic system for grants management and payments.

NSLDS Customer Service Center

For assistance regarding student eligibility questions, overpayments, and details on loan history and other NSLDS functions

AskaFed—Policy and Regulatory Guidance

Based on the popularity and effectiveness of the AskaFed desk at the annual FSA Training Conference, FSA has instituted a similar process using email. Please send your policy guidance inquiries to: AskaFed@ed.gov. The AskaFed email box is staffed by a team of FSA training officers Monday through Friday during normal business hours.

🖱 Resources on the Web

Knowledge Center
https://fsapartners.ed.gov/knowledge-center

The Knowledge Center is your link to official guidance on FSA program requirements, including the annual FSA Handbook and ongoing updates in the form of Dear Colleague Letters and electronic announcements.

Software and other tools
https://fsapartners.ed.gov/knowledge-center/topics/software-and-other-tools

The IFAP website has information about ED-developed software (e.g., EDExpress and Direct Loan Tools), as well as user guides and technical references for FSA systems.

IPEDS Training Center
IPEDS Training Center website

The IPEDS Training Center includes various training opportunities, including video tutorials, virtual workshops, face-to-face national IPEDS Workshops, and online Keyholder courses.

FSA E-Training website
https://fsatraining.ed.gov/

You can use this website to register for the mandatory Fundamentals Training Series for new school owners, CEOs, and financial aid directors. You can also find many other training opportunities such as webinars and recordings, systems and software training, and learning tracks that cover a variety of topics on the FSA programs.

FSA Training Conference
https://fsaconferences.ed.gov/

The FSA Training Conference held annually late in the fall is an important venue for learning about the general administration of the FSA programs as well as changes to program requirements, FSA systems and software, and the FAFSA process.

FSA Technical Support
https://www2.ed.gov/FSA/services/fsatechsubscribe.html

Subscribe to the FSATech email listserv to ask technical questions about FSA systems, software, and mainframe products and to receive answers from other financial aid professionals. You can also send an email directly to FSATech customer service: fsatech@gdit.com

FSA Assessments
https://fsapartners.ed.gov/knowledge-center/library/resource-type/FSA%20Assessments
The FSA Assessments can be used to anticipate and address problems, write policies and procedures, spot-check the systems you are using to manage information, prepare for your audit or other review, maximize the efficiency of your staff, and acquaint new staff with how FSA works.

Federal Student Aid Data Center
https://studentaid.gov/data-center

The Federal Student Aid Data Center is a centralized source for information relating to the federal assistance programs and provides information that is divided into four categories:

- *Student Aid Data*
- *School Data*
- *Federal Family Education Loan (FFEL) Program Lender and Guaranty Agency Reports*
- *Business Information Resources*

Default Prevention Resources
https://fsapartners.ed.gov/knowledge-center/topics/default-prevention-resource-information

The Default Prevention resources page provides information that can assist schools in creating effective default prevention plans and resources for assisting students.

Appendix B:
Checklist—Participation Requirements

See Volume 2 of the Federal Student Aid Handbook for details.

Required electronic processes

A school must be able to exchange data electronically with FSA's systems. This includes:

✓ using the E-App to submit and update the school's eligibility information

✓ enrolling in the Student Aid Internet Gateway (SAIG) and setting up a mailbox to receive electronic files

✓ using its SAIG mailbox or FAA Access to CPS Online to exchange FAFSA data with the Department's Central Processing System
For help call CPS/SAIG technical support at 1-800-330-5947 or send an email to CPSSAIG@ed.gov.

✓ using the COD website or SAIG mailbox to exchange award and disbursement data for Pell Grants and Direct Loans

✓ using the COD website to file the FISAP application and report (see FSA Handbook *Volume 6*)

✓ submitting the school's student enrollment records, FSA program overpayments, and Transfer Student Monitoring records to the National Student Loan Data System (NSLDS)

✓ electronically submitting the school's annual compliance and financial statement audits, and any other required audits via the eZ-Audit website

✓ using the Default Management website to receive draft and official cohort default rate data electronically

✓ using the Knowledge Center to review Dear Colleague Letters, announcements, and Federal Registers

Academic requirements & standards

✓ Satisfactory academic progress policy. A school must have a satisfactory academic progress policy that includes a qualitative and quantitative standard and is at least as strict for FSA recipients as non-FSA recipients (see FSA Handbook *Volume 1*).

✓ High school diploma or its recognized equivalent. An eligible institution may admit as regular students only persons who have a high school diploma or its recognized equivalent, or persons who are beyond the age of compulsory school attendance in the state in which the school is located. To be eligible for Federal Student Aid, students who are beyond the age of compulsory attendance but who do not have a high school diploma or its recognized equivalent must meet the eligibility requirements for a student who is home schooled or—in limited situations—must qualify under one of the ability-to-benefit alternatives. See *Volume 1*, *Chapter 1* of the FSA Handbook for more information. No more than 50% of a school's regular students may be enrolled without a high school diploma or recognized equivalent at a school that does not provide a 4-year bachelor's degree or 2-year associate degree program.

✓ GED preparatory program. A school that admits students without a high school diploma or its recognized equivalent (except home-schooled students) must make a GED preparatory program available to its students.

✓ A school may not deny readmission to a service member of the uniformed services for reasons relating to that service.

✓ Withdrawal rates. Schools that seek to participate in an FSA program for the first time must have an undergraduate withdrawal rate for regular students of no more than 33% for an award year in order to be considered administratively capable.

✓ Incarcerated student limits. No more than 25% of a school's regular students may be incarcerated students. (A public or private non-profit school can request a waiver from ED.)

✓ Correspondence study limits & distance education

General school requirements

✓ Fire safety. A school must maintain a log that records all fires in on-campus student housing facilities and publish an annual fire safety report with campus fire safety practices and standards of the school. It must submit its fire safety statistics annually via the Campus Safety and Security Survey.

✓ Missing persons policy. Schools that have on-campus housing must establish a missing student notification policy and must include a description of that policy in their annual security report to the campus community.

✓ Anti-drug abuse. To participate in any FSA program, a school must certify on the E-APP that it has implemented a program to prevent drug and alcohol abuse by its students and employees. To participate in the Campus-Based programs, a school must annually certify on its application for funds that it provides a drug-free workplace.

✓ Timely reporting of crimes. Schools must have policies that encourage complete timely reporting of all crimes to the campus police and appropriate law enforcement agencies.

✓ Testing emergency/evacuation procedures. A school must test emergency response and evacuation procedures annually.

✓ Copyrighted material. The school must certify that it has developed plans to effectively combat the unauthorized distribution of copyrighted material and will, to the extent practicable, offer alternatives to illegal downloading or peer-to-peer distribution of intellectual property.

✓ Voter registration. If your school is located in a state that has not enacted the motor vehicle/voter registration provisions of the National Voter Registration Act, it is required to make a good faith effort to distribute voter registration forms to its students.

Administrative restrictions

✓ Incentive compensation. A school may not make any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any individual or entity engaged in recruiting or admission activities or in making decisions regarding the award of FSA program funds.

✓ Prohibited activities in loan programs. A school is prohibited from paying points, premiums, payments, or additional interest of any kind to an eligible lender or other party in order to induce a lender to make loans to students at the school or to the parents of the students.

✓ Preferred lender lists. Schools with preferred lender arrangements must compile and make available a list of the lenders that it promotes and recommends.

✓ Private education loan certification. Upon request from a student or parent who is applying for a private education loan, a school must provide the disclosure form required under The Truth in Lending Act and the information needed to complete the form (to the extent the school has that information).

✓ Prohibition on use of FSA funds for lobbying. FSA funds may not be used to pay any person for attempting to influence
• a member of Congress or an employee of a member of Congress, or
• an officer or employee of Congress or any agency.
In addition, FSA funds may not be used to hire a registered lobbyist or to pay any person or entity for securing an earmark.

Reporting to ED

✓ Contracts with 3rd-party servicers. Schools are required to notify the Department of all existing third party servicer contracts by using Section J of the E-App.

✓ Lobbying certification & disclosure. Any school receiving more than $100,000 for its participation in the Campus-Based programs must provide an annual certification with its FISAP that they will not use federal funds to pay a person for lobbying activities in connection with federal grants or cooperative agreements. If the school has used nonfederal funds to pay a non-school employee for lobbying activities, the school must disclose these lobbying activities to the Department.

✓ Reporting foreign sources. Most postsecondary schools must report ownership or control by foreign sources, as wells as contracts with or gifts from the same foreign source that, alone or combined, have a value of $250,000 or more for a calendar year.

Restrictions & prohibitions that apply to the owners, officials, or staff of the school

✓ Code of Conduct. Schools that participate in the FSA loan programs must develop and enforce a code of conduct.

✓ Restrictions on advisory board compensation. A person employed in a financial aid office who serves on an advisory board cannot receive anything of value from the lender but can receive reimbursement for reasonable expenses associated with participation. (A school must report annually to ED any such reimbursement paid to an employee in the financial aid office, or to employees who have responsibilities with respect to financial aid at the school.)

✓ Outstanding liabilities. A person who exercises substantial control over the school (or any members of the person's family alone or together) may not owe a liability for an FSA program violation, or have ever exercised substantial control over another school (or a third-party servicer) that owes a liability for an FSA program violation.

✓ Crimes involving FSA funds. Schools are prohibited from having as principals or employing, or contracting with other organizations that employ individuals who have pled *nolo contendere* or guilty to a crime involving the misuse of government funds.

✓ Debarment & suspension. A school may not employ in a management or supervisory capacity an individual who has been suspended, or debarred by a federal agency. Similarly, a school may not have a relationship with a lender, third-party servicer, or loan servicer that has been debarred or suspended.

✓ NSLDS Rules of Behavior. Users of NSLDS must be in good standing with title IV loans. If a user has a defaulted title IV loan, access to NSLDS will be revoked.

Administrative requirements for financial aid

✓ Coordinating official. A participating school must designate a capable individual to administer the FSA programs and to coordinate aid from these programs with all other aid received by students attending the school.

✓ Consistency of information. A school must have a system of identifying and resolving discrepancies in all FSA-related information received by any school office.

✓ Adequate staff. The aid administrator must be supported by an adequate number of professional, paraprofessional, and clerical personnel.

✓ Checks & balances. A school must have an adequate system of internal checks and balances, including, at a minimum, separation of the functions of awarding and disbursing funds.

✓ Counseling. Schools must provide adequate financial aid counseling to all enrolled and prospective students, including entrance and exit counseling.

✓ OIG referrals. A school must refer to the Department's Office of Inspector General (OIG) any credible information indicating that an applicant for Federal Student Aid may have engaged in fraud or other criminal misconduct in connection with his or her application. See *Chapter 5* in the *Application and Verification Guide*, a volume in the FSA Handbook, for a chart with the OIG contact information.

Providing consumer information

✓ Information about the school's programs and facilities. A school must provide students and prospective students with information about the school and its operations, such as the school's accreditation and licensure, the faculty and other instructional staff, degree and certificate programs, any plans the school has for improving the academic programs [NEW], instructional and laboratory facilities, special facilities for disabled students, and student body diversity in the categories of gender and ethnicity of enrolled (and full-time students who receive Federal Pell Grants).

✓ Information about the school's policies. A school must provide information about its satisfactory progress policy, school policies on transfer of credit, and other policies relating to copyright infringement, fire safety, vaccination, missing persons procedures, emergency and evacuation procedures, etc.

✓ Information about costs. A school must provide information on the costs of attending the school, and it must include, on its Internet course schedule, the International Standard Book Number (ISBN) and retail price for required and recommended textbooks and supplemental material (alternatives are discussed in the FSA Handbook, Vol. 2).

✓ Financial aid information. A school must inform students about federal, state, local, and private sources of aid, application procedures, need analysis, packaging policies, and the required return of aid when a student withdraws.

✓ Placement/matriculation of graduates. A school must provide information on the placement of and types of employment obtained by graduates of the school's degree or certificate programs, and the types of graduate and professional education in which graduates of the school's 4-year degree programs enrolled.

✓ Retention rates. A school must disclose the retention rates of certificate- or degree-seeking first-time full-time undergraduate students.

✓ Completion/graduation rates (Student Right-to Know). A school that awards athletically-related aid must disclose information on Graduation, Completion, and Transfer-Out Rates for student-athletes and the general student body at the school.

✓ Athletic funding/participation (Equity in Athletics). Any coeducational school that has an intercollegiate athletic program must disclose participation rates, funding support, and other information for its athletic programs.

✓ Loan counseling. A school must provide entrance loan counseling to first-time Stafford borrowers and exit counseling to student borrowers who have completed their program of study, are withdrawing from school, or have dropped below half-time status.

✓ Drug & alcohol abuse prevention. A school must provide students, faculty, and employees with information about the risks, penalties, and treatment options associated with drug and alcohol abuse.

✓ Campus security. A school must publish an Annual Security Report and distribute the report to its students and employees by October 1st of each year.

✓ Misrepresentation. A school that substantially misrepresents the nature of its educational program, its financial charges, or the employability of its graduates may be fined or have its FSA participation limited, suspended, or terminated.

Recordkeeping and privacy

✓ A school must keep comprehensive, accurate program and fiscal records documenting its eligibility to participate and financial responsibility, student eligibility for FSA awards, and providing a clear audit trail for all disbursements and repayments of FSA funds.

✓ Generally, records must be kept for at least 3 years after the end of the award year. (In the case of Direct Loans, three years after the end of the award year the student last attended.)

✓ Access to records and personnel. A school must provide timely access to authorized officials.

✓ Privacy. Personally identifiable information may not be disclosed to other parties without the prior written consent of the student, except for specific cases defined in the Department's FERPA regulations.

✓ Disciplinary proceedings. Schools are required to disclose, upon request, the results of disciplinary hearings to the victims of crimes of violence or sex offenses.

✓ Information security requirements. A school must have a comprehensive security program to safeguard the information of students and parents.

Financial standards

✓ 90/10 rule. A proprietary institution may derive no more than 90% of its revenues from the FSA programs.

✓ Composite score. A proprietary or private non-profit school must have a composite score of at least 1.0, based on an ED formula that takes into account the school's primary reserve, equity, and net income ratios.

✓ Refund reserve standard. A school must have sufficient cash reserves to return FSA funds when a student withdraws.

✓ A school must be current in its debt payments.

Default rates

✓ Cohort default rates. A school loses its eligibility to participate in (1) the Direct Loan Program if its cohort default rate for any year is greater than 40% and (2) the Direct Loan and Pell Grant programs if its default rate is 30% or higher for three consecutive years.

Appendix C: FSA/ED Systems Access

*This is a reference for the User IDs and passwords required for access to FSA data systems and ED funding. It is unlikely that any single person would have access to all of these systems since regulations require separation of functions. **Reminder**: do not share your password with others. Keep any password list in a secure location not accessible to anyone else.*

SAIG Mailbox	Password can be updated via EDconnect or on the website. Note: a DPA can allow others access to his/her SAIG mailbox (password). The new user must sign an SAIG user statement.
CPS, COD, eCB, SAIG, eCDR	For FAA Access to CPS, COD, FISAP, SAIG Web enrollment, and electronic cohort default rates, you will need an FSA User ID, which you can get by going to the SAIG enrollment site.
NSLDS Website	You must be enrolled through SAIG as a Destination Point Administrator. Users may update their NSLDS passwords on the NSLDS website.
EDESuite (ED Express and Direct Loan Tools)	Each EDESuite user has his/her own password. You may update your password in the software.
EDExpress	Each EDExpress user has his/her own password. You may update your password in the software.
G5 Payment System	You may update your password by selecting "Maintenance" after logging in to the GAPS website.
E-APP	The username is the school OPEID. The password is the TIN/EIN and is school specific and not user specific.
eZ-Audit	Use the challenge questions to update your password, or call the eZ-Audit Help Desk at (877) 263-0780.

New School Guide

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An OFFICE of the U.S. DEPARTMENT of EDUCATION