



MAY 2018 NEWSLETTER

IMPORTANT DATES:

May 2
DJA Webinar
Return of Title IV Funds
11:00 a.m. CDT

May 28 – DJA Closed



June 3-6
CECU Convention & Exposition

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We enjoyed seeing those of you who were able to join us for the annual DJA Financial Aid Training Session last month, but if you were unable to attend, you will find the presentation on the client portal of the DJA website. As always, DJA will continue to keep you updated via our monthly newsletter and webinars, as well as with timely client memos.

For those of you who are not currently DJA clients, I hope the information in the newsletter is beneficial to you in the administration of your institution's financial aid. If you would like to know more about DJA's services please give me, or Kristi Cole, Director of Client Services, a call at (800-242-0977); or, if you know someone that would benefit from our free newsletter please send an email to djohn@gotodja.com or kcole@gotodja.com and we will add them to the distribution list.

As we celebrate our 30th year in business, DJA has expanded our newsletter to include client testimonials and opportunities to meet our dedicated team members. We began these changes in March and will continue to share until 30th Anniversary in September! It is with loyal and satisfied clients and committed team members that we are able to reach such a momentous milestone as 30 years in business, a blessing we continue to be thankful for.

As Memorial Day approaches and plans are made to celebrate the official beginning of summer with a 3-day weekend, remember to pause in honor of those who sacrificed their lives for our freedom. I would personally like to thank all veterans and active service members for their service.

*Thank you and until next time, have fun!
Deborah John, President*



WHAT OUR CLIENTS SAY

"PERSONALIZED SERVICE"

"DJA is not just a third-party servicer to us. Over the years, we have become great partners and friends. We enjoy working with the entire team. I can call DJA and talk to a real person, or Deborah John herself, with any questions or concerns I may have. I know that they are going to be honest with me, I firmly believe that, and it allows me to have confidence that they have my back. They understand the challenges schools face and always keep me informed.



Kevin Rentz, President
La'James College
 Mason City, Iowa

REVISED 2018-19 FEDERAL PELL GRANT PAYMENT AND DISBURSEMENT SCHEDULES

On April 10, 2018, the Department of Education released Dear College GEN-18-04 which provides the revised 2018-2019 Pell Grant Payment and Disbursement Schedules. Previously in accordance with the provisions set forth in the High Education Act (HEA), the USDE published the 18-19 Pell Payment Schedules on January 31, 2018 in GEN-18-01. At the time of that publication, the Pell Grant funding was included as part of a continuing budget resolution that expired on February 9, 2018.

However, on March 23, 2018 the President signed the Consolidated Appropriates Act, 2018, which subsequently increased the maximum Pell Grant award to \$6095 for the 18-19 award year (AY) and the Pell Grant EFC to 5486. Based on those numbers provided and the calculation specifications set forth in the HEA, the 18-19 AY minimum scheduled award amount will be \$650.

The USDE included in this letter, revised PDF and Excel versions on the Payment and Disbursement schedules for full time, three quarter time, half time and less than half time students. Please note that all 18-19 Federal Pell Grant awards must reflect the REVISED Pell schedules that are provided in this update.

The USDE notes the following must still be taken into account when awarded the Federal Pell Grant for the 2018-19 Award Year:

- Beginning with the 17/18 AY, students may be eligible to receive Pell Grant funds for up to 150 percent of the student's Pell Grant scheduled award for an award year. To maintain eligibility, students must:
 - Eligible to receive Pell funds for the payment period
 - Be enrolled at least as a half time student in the payment periods for which they are awarded the funds in excess of 100 percent.
 - For more information, see GEN-17-06



- When calculating a student's Pell award for the 18-19 AY, the full nine-month EFC must always be used regardless of the student's actual period of attendance.
- The Title IV COA is always based on the costs for a full time student for a full academic year, regardless of actual enrollment status or time enrolled in the AY. See Volume 3, Chapter 2 of the Federal Student Aid Handbook for further clarification.
- The student's eligibility to receive the Pell award may be limited by the lifetime Pell Grant eligibility limit of 12 semesters. More guidance can be sought by reviewing GEN-13-14 and Volume 3, Chapter 3 of the Federal Student Aid Handbook.

<https://ifap.ed.gov/dpccletters/GEN1804.html>

OPERATIONAL IMPLEMENTATION GUIDANCE REFLECTING THE REVISED 18/19 PELL GRANT

Impact on the CPS and Upcoming Reprocessing

Processing for the 18/19 FAFSA began on October 1, 2017 and was based off the previous maximum EFC for the 17/18 AY. However, due to the recent increase published in GEN-18-04 some applicants are now Pell Grant eligible for the 18/19 AY and were not previously considered. CPS is planning a system update in the near future to use the revised 18/19 Pell grant payments on all newly submitted 18/19 FAFSA's, as well as for all newly submitted corrections to previously filed FAFSA forms. As part of that update they will also alter the FAFSA confirmation page and SAR print operations to display the estimated Pell Grant Scheduled award amounts reflective of the revised schedules.

Following those changes, CPS will also need to reprocess the records for those students who completed an 18/19 FAFSA or correction before the CPS changes were implemented and who are now (based on the revised schedules and EFC maximum) eligible for the 18/19 Pell Grant.

Impact on the COD System

The COD system shut down the weekend of April 21-22nd to implement the revisions of the 18/19 Pell Grant payment and disbursement schedules. DJA has already been able to originate grants with the new amounts. All the 18/19 Pell Grant records sent to the COD System before the upcoming release will be evaluated by the COD System using the old schedules, and will need to be corrected after the upcoming release for the revised schedules.

Impact on EDEExpress

EdExpress 2018-19, Release 1.0 posted to the FSAdownload website on September 25, 2017, does not include the revised Pell Grant payment and disbursement schedule and instead carries over the Pell Grant amounts set



forth for the 17/18 AY. Release 2.0 was originally slated for April 2018, however has been pushed back to late May, so that the Packaging and Pell Grant modules will be updated to use the revised 18/19 Pell amounts.

EdExpress Packaging users who wish to manually add or adjust the Pell Grant awards using the revised 18/19 Pell Grant amounts prior to Release 2.0, must use the Pell Grant payment and disbursement schedules released in GEN-18-04. After Release 2.0 is available, EDEXpress users who already packaged students using Release 1.0 must repackage students using Release 2.0 in order to obtain an accurate Pell Grant award.

Contact Information

For questions regarding CPS or EDEXpress, contact CPS/SAIG Technical Support at 1-800-330-5947 (TDD/TTY 1-800-511-5806) or by email at CPSSAIG@ed.gov.

For questions regarding COD System updates, contact the COD Relations Center at 1-800-848-0978 or by email at CODSupport@ed.gov.

<https://ifap.ed.gov/eannouncements/041318OperationalImplementGuidRevised201819PellGrantPymtDisburseSchedules.html>

NSLDS ENROLLMENT REPORTING - SUBMISSION DATES, EFFECTIVE DATES AND CERTIFICATION DATES

Schools are required to report enrollment data to the National Student Loan Data System (NSLDS) at least every 60 days. Schools are required to certify the enrollment status of all students who appear on the NSLDS Enrollment Roster sent to the school (or its designated third-party servicer), either in batch or online using the Enrollment Maintenance page of the NSLDS Professional Access website. Schools are strongly encouraged to add a new or transfer student who has received Title IV aid at another school, even if the student is not receiving aid at the new school. Many schools report enrollment information monthly, which NSLDS recommends as it allows for more current enrollment status changes.

Several dates are used by NSLDS in processing student enrollment data. Because each date has a different meaning and use, it is important for schools to understand the differences.

Enrollment Status Effective Date is the date that the current enrollment status reported for a student was first effective. This date only changes when the student's enrollment status changes, for example, when the student drops from full time enrollment to half time enrollment. The Enrollment Status Effective Date remains the same as long as the student stays continuously enrolled in the same enrollment status, and is reported with the same Enrollment Status Effective Date when the student most recently entered that status. The Enrollment Status Effective Date should not be automatically updated each term or each year, or with each NSLDS Enrollment reporting, unless the student's enrollment status changed since the last reporting. Enrollment Status Effective Date, and its related enrollment status, must be reported for both the campus level and the program level.



Certification Date is the date the school certified the enrollment information. The Certification Date, which changes with each reporting submission, roughly corresponds to the date the school (or its servicer) processes its NSLDS Enrollment Roster, and normally changes with each enrollment reporting submission to NSLDS. Note that to ensure that the reporting is correct before NSLDS removes a student from the school’s Enrollment Roster, the terminal statuses of G, W, X and Z must be certified in two consecutive reporting cycles with different Certification Dates but with the same effective date.

Received Date is not reported by schools, but is the date NSLDS receives (from a school or its servicer) the school’s Enrollment Roster and updates the enrollment information on NSLDS. This date appears on various pages of the NSLDS website and is used for informational purposes and in the calculation of enrollment reporting statistics.

See the NSLDS Enrollment Reporting Guide Section 4.4 for more information on the correct reporting of these dates and other enrollment data.

The following is an example of how these three dates are established. Consider a student who began enrollment at the school as a fulltime student with the start of the 2017 fall term and remained fulltime through that term before reducing to halftime for the 2018 spring term. The student then withdrew during that same spring term, only to re-enroll as a fulltime student for the 2018 fall term. The school’s reporting would be as follows:

Certification Date	Enrollment Status	Enrollment Status Effective Date	Received Date
October 1, 2017	F-Fulltime	August 25, 2017	October 2, 2017
December 1, 2017	F-Fulltime	August 25, 2017	December 2, 2017
February 1, 2018	H-Halftime	January 26, 2018	February 2, 2018
April 1, 2018	W-Withdrawn	March 1, 2018	April 2, 2018
June 1, 2018	W-Withdrawn	March 1, 2018	June 2, 2018
August 1, 2018	Student no longer on the school’s Enrollment Roster		
October 1, 2018 - School adds student	F-Fulltime	August 24, 2018	October 2, 2018

Given the dynamic nature of student enrollment, some schools may not be immediately aware of a student’s enrollment status change when it happens. When the school does become aware of such a change, it must report the change with the actual Enrollment Status Effective Date of the status change and not the date when the school became aware of the change. While it is not required that the update be received by NSLDS within 60 days of the Enrollment Status Effective Date, the school must report the retroactive status change in its next scheduled enrollment submission, or sooner if possible, although this might happen weeks after the actual effective date.

When reporting the Enrollment Status Effective Date it is also possible that the date reported will pre-date an Enrollment Status Effective Date of an earlier submission. This could happen, for example, when a school grants a student a retroactive withdrawal. The new Enrollment Status Effective Date will inactivate any

previous status with a later effective date, as the newer status will be treated by NSLDS as more current. The Enrollment Detail page on the NSLDS website shows when newer data has inactivated a previously reported enrollment status.

As an example, a second-year student has been attending fulltime continuously throughout her first year and into the fall of her second year. In its November submission of the second year, the school incorrectly reported that the student had dropped to halftime on November 8. The school then determined that the student had actually withdrawn on October 5 and reports that withdrawal in its December submission. The reporting displayed on Enrollment Detail would look something like this:

Status	Effective Date	Active	Certification Date	Date Received
Withdrawn	10/5/2017	Yes	12/10/2017	12/12/2017
Half Time	11/08/2017	No	11/10/2017	11/11/2017
Full Time	09/10/2016	Yes	10/11/2017	10/12/2017
Full Time	09/10/2016	Yes	09/10/2017	09/11/2017
(Multiple monthly certifications of the same full time status and Effective Date)				
Full Time	09/10/2016	Yes	10/10/2016	10/11/2016
Full Time	09/10/2016	Yes	09/12/2016	09/13/2016

In this example, the withdrawn status effective date is earlier than the Enrollment Status Effective Date reported for the half time status. This inactivates (Active = No) the previously reported half time status. Now the borrower will show as full time up to the 10/05/2016 effective date of the withdrawn status.

Note that in this example, while the withdrawn status with an Enrollment Status Effective Date of 10/05/2017 was received by NSLDS on 12/12/2017, more than 60 days after the effective date, this retroactive reporting does not violate the requirement to report every 60 days.

In another example, a student completes the coursework for a degree but it takes the school time to determine whether the student meets all graduation requirements. Therefore, the school would not be able to certify that the student graduated until later in the summer. When the school is able to confirm the student's graduation it will use an Enrollment Status Effective Date backdated to the date that the school assigns for graduation. In this case, the school should first report the student as withdrawn and later retroactively report the graduation.

For a school that reports monthly, the reporting displayed on Enrollment Detail might look something like this:

Status	Effective Date	Active	Certification Date	Date Received
Graduated	06/05/2018	Yes	08/12/2108	08/13/2018
Withdrawn	05/26/2018	Yes	07/10/2018	07/11/2018
Withdrawn	05/26/2018	Yes	06/10/2018	06/12/2018
Full Time	09/10/2016	Yes	05/11/2018	05/12/2018
(Multiple monthly certifications of the same full time status and Effective Date)				



Full Time	09/10/2016	Yes	10/11/2016	10/12/2016
Full Time	09/10/2016	Yes	09/12/2016	09/13/2016

Again, in this example, the graduation status was received by NSLDS more than 60 days after the effective date of that status, but this does not violate the requirement to report every 60 days. The withdrawn status remains active, but NSLDS will correctly use the graduated status to protect interest subsidy on the student's Direct Subsidized Loans, if it follows a properly reported withdrawn status.

Schools are reminded of the importance of reporting terminal statuses including graduations and withdrawals, and that these statuses need to be certified in two separate submissions. Failure to report a terminal status in two consecutive submissions will result in the student remaining on the school's enrollment roster. This will lower the school's enrollment reporting statistic and may lead to compliance letters being sent to the school.

If you have questions about this information, contact the NSLDS Customer Support Center at 1-800-999-8219. You can also contact the NSLDS Customer Support Center by email at nslds@ed.gov.

SUMMER TERM ENROLLMENT REPORTING TO THE NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

A student is considered to be continuously enrolled at least half time during the summer, or in another period in which students are not generally expected to attend, classes as long as:

- There is no reason for the school to believe that the student will not enroll on an at least half time basis for the next regularly scheduled term; and
- The student was enrolled at least half time at the end of the previous regularly scheduled term.

Such a student should not be reported to NSLDS as "Withdrawn" as of the end of the spring term if the student was enrolled at least half time during the spring term and is expected to enroll at least half time for the upcoming fall term. In this case, the school should continue to report, through the summer months, the student's enrollment status from the spring term even if the student is not enrolled in the summer or is enrolled less than half time. If the student does not return in the fall as expected, the enrollment status must be changed to "Withdrawn" with the end of the spring term as the Enrollment Status Effective Date.

If the student is actually enrolled during the summer or other non-required term, the school should report the summer or other term's actual enrollment status if the student is enrolled for that term at least half time. For example, if the student was enrolled three-quarter time in the spring term, and is enrolled half time in the summer term, the school should report the student's half-time enrollment status for the summer months. If the student was instead enrolled less than-half time in the summer or not enrolled at all, the school should report the student's end of spring enrollment status (three-quarter-time).

The table below provides examples of how a student should be reported for a summer term based on how the student was enrolled in the preceding spring term. In all cases, it is assumed that the school has no reason to

believe that the student will not be returning in the fall and that the summer is not a period during which students are generally expected to attend classes.

If the student is enrolled at the end of the spring term –	And during the summer term is –	The school should report during the summer –
Full time	Not enrolled	Full time
Full time	Full time	Full time
Full time	Half time	Half time (with an effective date of the beginning of the summer)
Full time	Less than half time	Full time
Half time	Not enrolled	Half time
Half time	Full time	Full time (with an effective date of the beginning of the summer)
Half time	Half time	Half time
Half time	Less than half time	Half time
Less than half time	Not enrolled	Less than half time
Less than half time	Full time	Full time (with an effective date of the beginning of the summer)
Less than half time	Half time	Half time (with an effective date of the beginning of the summer)
Less than half time	Less than half time	Less than half time

As stated above, if the student enrolls in the summer term (or other non-required term) at least half time, the student’s actual summer enrollment status is reported. If such a student subsequently withdraws from the summer term, the student’s most recent enrollment status of half time or greater should be reported throughout the remainder of the summer. If the student does not return in the fall as expected, the status must be changed to “Withdrawn” with the date the student withdrew from the summer term as the Enrollment Status Effective Date.

Reporting a student as continuously enrolled, as provided in the guidance in this announcement, will prevent the student from improperly going into grace on their student loans in the summer, only to be placed back in an in-school status in the fall. It may also prevent the improper application of loss of interest subsidy due to a student being reported as withdrawn from the program that is being used to calculate the student’s maximum eligibility period for Direct Subsidized Loans.

WITHDRAWAL VERSUS GRADUATION AND EFFECTIVE DATES (Section 4.4.3 of the NSLDS Enrollment Reporting Guide)

The implementation of the 150% subsidized loan limit makes the reporting of a Withdrawn ‘W’ or Graduated ‘G’ status even more critical. The completion of a program protects the student’s interest subsidy.

Reporting of graduated statuses is critical to the protection of a student’s interest subsidy and initiation of repayment periods.



The effective date for a withdrawn ('W') status is defined in 34 CFR 685.305, which generally adheres to requirements under the Return to Title IV requirements in 34 CFR 668.22.

The effective date for a completion/graduation status ('G') is the date that the school assigns to the completion/graduation. In particular, a completion/graduation status could be either the same as the effective date of a previously reported 'W' or sometime after that date. Some schools may wait to assess a student's completion of program requirements and, therefore, report a 'W' when the student is no longer attending classes followed by a 'G' when completion is confirmed with whatever effective date the school gives the graduation status.

It is important to note that, for a student who has graduated, schools who initially report a withdrawn status must subsequently report the student as having graduated by certifying a 'G' status at the campus-level and/or program-level as appropriate. This is true even if the student or the student's applicable program no longer appears on the school's enrollment reporting roster because the school has certified the 'W' status twice. In this case, the school must add the student and/or program back to the roster to report the 'G'. The graduated status may protect the interest subsidy on the student's current loans.

Note that if the effective date of the 'G' status is later than the loan period end date of the student's last Direct Subsidized Loan, this could trigger loss of subsidy, since the student would be considered enrolled up to the graduation date. To prevent this, the school should (if the student received a loan for the final period of attendance prior to completing the program) first report a 'W' status with the appropriate effective date, and NSLDS will use the 'W' status date to protect the loan subsidy, provided that the date is not later than the last loan period end date. If the student did not receive a loan in the final period, the effective date of the 'W' status should equal the student's last date of attendance in the final term or payment period in which the student completes the program.

Additionally, reporting the 'W' as soon as it occurs ensures the timely movement of loans into repayment. Take advantage of school procedures for students going through a withdrawal process to report the 'W' as soon as possible. This may mean giving enrollment online update capability to personnel at the school who can do an immediate update.

§685.305 Determining the date of a student's withdrawal.

- (a) Except as provided in paragraph (b) of this section, a school must follow the procedures in §668.22(b) or (c), as applicable, for determining the student's date of withdrawal.
- (b) For a student who does not return for the next scheduled term following a summer break, which includes any summer term(s) in which classes are offered but students are not generally required to attend, a school must follow the procedures in §668.22(b) or (c), as applicable, for determining the student's date of withdrawal except that the school must determine the student's date of withdrawal no later than 30 days after the start of the next scheduled term.
- (c) The school must use the date determined under paragraph (a) or (b) of this section for the purpose of reporting to the Secretary the student's date of withdrawal and for determining when a refund or return of title IV, HEA program funds must be paid under §685.306.



ENROLLMENT REPORTING COMPLIANCE NOTIFICATIONS

NSLDS will begin sending Enrollment Reporting Compliance Notifications to schools that are not reporting program-level enrollment information for a sufficient portion of their students. NSLDS tracks whether a school has reported program-level enrollment information for at least 90% of the students on its Enrollment Reporting roster. When NSLDS determines that a school does not meet the 90% minimum threshold, the school will receive an initial warning notification from NSLDS@ED.GOV, addressed to the school's Financial Aid Administrator (FAA) Contact, as stored in NSLDS, as well as to the Enrollment Reporting Contact as provided on the ORG tab of the NSLDS Professional Access website. If your school has not yet provided an Enrollment Reporting Contact for each of its locations, such as a representative from the registrar's office, please do so as soon as possible. Note that this contact cannot be someone from a school's third party servicer. Schools will receive a separate Enrollment Reporting Compliance Notification for each of its locations that are under the 90% threshold.

If the school's reporting performance does not improve the school will receive a second warning notification addressed to the FAA and to the Enrollment Reporting Contact, with the school's President or CEO copied. If the school's performance still does not improve after two warning notifications, it will receive a third notification that the school has been referred to the Department's Federal Student Aid Program Compliance office for consideration of possible sanctions. This third notification will be addressed to the school's President/CEO, with copies to the school's Financial Aid Administrator and Enrollment Reporting Contact.

The program-level reporting threshold is set at 90% to allow for instances where a school may have a small percentage of the students included on its NSLDS Enrollment Reporting roster who are not enrolled in academic programs. While these students are not receiving aid at the reporting institution, they are enrolled in, for example, continuing education coursework.

If, after the school receives its initial notification, it believes that a significant percentage of its students are legitimately not enrolled in an academic program and, therefore, are properly reported only at the campus level and not at the program level for those students, the school should send an email requesting an Enrollment Reporting Compliance Notification Exception. The email should be sent to ERCompliance@ed.gov.

The Enrollment Reporting Statistics page, which is accessible through the Enrollment Reporting Profile, contains an Enrollment Compliance Notification History section. This section displays information about compliance notifications sent to an individual school location or to all the locations of the school. Additionally, school users can view the Enrollment Reporting Compliance Notification letter in its entirety online.

NSLDS newsletter Number 58: New Enrollment Reports, Enrollment Reporting Compliance Notifications, and Award ID Search Functionality, describes recent enhancements for school users of the National Student Loan Data System (NSLDS®) and the NSLDS Professional Access website. These changes include:

- Enrollment Reporting (ER) Enhancements
 - ER Program Level Certification Report (SCHER8)
 - NSLDS-COD Program Comparison Report (SCHE10)
- Enrollment Reporting Compliance Notifications



- Enrollment Reporting Statistics Reminder
- Award ID Search

<https://ifap.ed.gov/nsldsmaterials/NSLDSNewsletter58.html>

CHECKING THE VALIDITY OF A HIGH SCHOOL DIPLOMA

If your school or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, you must evaluate the validity of the student's high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses the student took.

Diplomas from unaccredited high schools can be valid and qualify students to receive FSA funds, as well as to meet college admission standards. One resource that a school may consider to determine if a high school diploma is valid is the Department of Education in the state in which the high school is located, if that department has jurisdiction over the high school. Colleges are also free to consult with each other as they develop their procedures for checking the validity of high school diplomas. For students who completed their secondary schooling outside the United States, comparable documents can help, as can the services of companies that determine the validity of foreign secondary school credentials.

The ISIR will not provide any more information than what the student submitted on the FAFSA. We do not expect you to check the high school data for every student against other information obtained by your school during admissions, but if you have reason to believe the high school diploma is dubious—e.g., the college knows the student bought the diploma or transcript and was required to perform little or no work—you must validate the diploma.

A student's self-certification is not sufficient to validate a high school diploma that is in question. It should be remembered that for a college to be an eligible institution, it must admit as regular students only those with a high school diploma or the recognized equivalent or who are beyond the age of compulsory school attendance. As in other areas of FSA administration, schools have final authority in meeting this requirement. The Department does not plan to have an appeal process or to intervene in reasonable judgments of school administrators, such as a decision to move a high school from a college's acceptable to unacceptable list or a case where one school has different lists than another.



College diploma mill definition

An entity that:

1. Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and
2. Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.

➤ **Do high schools have to be accredited for their graduates to be eligible for Title IV aid?**

For Title IV student aid purposes, there is no requirement that a high school be accredited. In determining whether a student's high school diploma is valid, the Federal Student Aid Handbook suggests that institutions check with the appropriate state agency in the State in which the high school is located to determine if a diploma issued from that school is recognized by that State as a high school diploma.

➤ **How can an institution determine whether a student's high school diploma is valid for purposes of establishing Title IV eligibility?**

Final regulations published on October 29, 2010, require postsecondary institutions to develop and apply procedures to evaluate the validity of a student's high school diploma if the institution or the Department has reason to believe that the diploma is not valid or was not obtained from an entity that provides secondary school education (34 CFR §668.16(p)).

Because USDE relies on a State's determination as to what constitutes a high school diploma in that State, institutions are encouraged to check with the relevant department or agency in the State in which the high school is located to determine if a diploma from the high school (which does not have to be accredited) is recognized by that State (see Volume 1 of the Federal Student Aid Handbook). Another resource within the State that an institution may want to consult with is the State attorney General's office. For example, one State attorney General's office has taken enforcement actions against entities that issue diplomas or other certificates of completion of secondary education without providing a legitimate secondary school education. Another publication that may be helpful to institutions is the "State Regulation of Private and Home Schools" which provides a brief description for each state's legal requirements that apply to K-12 private schools in the United States.





DJA Employee Spotlight

Melissa Solf
Vice President of Operations

Melissa has been with DJA for over 16 years and serves as our Vice President of Operations. With a vast knowledge of each department within the company, Melissa makes sure that DJA runs like a well-oiled machine. In addition to overseeing our management team, Melissa works closely with Deborah to ensure client satisfaction and financial aid compliance standards.



Melissa enjoys the camaraderie she has with each team member here at DJA and likes helping staff grow in their knowledge and understanding of the industry. She loves finding solutions to problems, it is like a puzzle she aims to complete. After 16 years at DJA, she is most appreciative of the relationships she has been able to build with the clients and always aims to make sure each is taken care of. With a Bachelor's degree in Business Administration from Friends University, Melissa has found her educational background has served to compliment the industry she has established her career and she takes great pride in knowing she is contributing to the educational success of many on a broader scale.

Aside from running the operations here at DJA, Melissa finds joy in spending time with her family, whether that be camping or taking in peaceful moments at the lake. Additionally, Melissa loves to travel and simply enjoy a good laugh with her friends.

COMPLIANCE CORNER

INSTITUTIONAL CHARGES – WITHDRAWALS AND THE RETURN OF TITLE IV FUNDS

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. Schools must ensure that all appropriate fees, as well as applicable charges for books, supplies, materials, and equipment, are included in Step 5, Part G of the Return calculation. Institutional charges do not affect the amount of Title IV aid that a student earns when he or she withdraws. ***Keep in mind that application fees are excluded from institutional charges because they are not an educational cost.***



Use of institutional charges in determining a school's responsibility for Return - The institutional charges used in the calculation usually are the charges that were initially assessed the student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, after a student withdraws, the institution changes the amount of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes affect neither the charges nor aid earned in the calculation.

The return regulations presume that Title IV program funds are used to pay institutional charges ahead of all other sources of aid. Institutional charges may not be reduced even if other sources of aid are used to pay those charges. For example, a school may not reduce institutional charges when an outside agency supplying aid requires that aid to be used for tuition.

When to prorate charges -When a school chooses to calculate the treatment of Title IV, HEA program assistance on a payment period basis for a non-term credit-hour or clock-hour program but the school charges for a period longer than the payment period (most likely the period of enrollment), there may not be a specific amount that reflects the actual institutional charges incurred by the student for the payment period. (Again, institutional charges incurred by the student are charges for which the student was responsible that were initially assessed by the institution for the payment period or period of enrollment.)

Allocating books, kits, supplies, equipment & registration fees - The determining factor in whether the proration requirement applies is whether or not the charge for books, supplies and equipment is an institutional charge. The Department's longstanding guidance has been that books and supplies must be considered an institutional charge if a student does not have a real and reasonable opportunity to purchase the required course materials from any place but the school. A student has a "real and reasonable" opportunity to obtain required course materials from another source if the required course materials are available for purchase at a relatively convenient location unaffiliated in any way with the institution; and the institution does not restrict the availability of financial aid funds, so the student can exercise the option to purchase the required course materials from alternative sources in a timely manner. If students do not have a real and reasonable opportunity to obtain the required books and supplies from another source, the institution must ensure that it meets requirements for including the costs for those items in tuition and fees, e.g. ensuring that the books and supplies are made available at or below market rates. See 34 C.F.R. § 668.164(c)(2).

If a charge is part of an enrollment agreement or any addendum, and/or the institution routinely debits the students' ledger accounts for the amount of the charge along with tuition and fees, it is an institutional charge. The Department considers all institutional charges to be part of a student's tuition and fees for purposes of implementing the regulatory language regarding the crediting of a student's account. See 34 C.F.R. § 668.164(c)(1)(i). The regulations provide a specific formula for prorating charges if an institution assesses charges for more than a payment period at a time. For programs with substantially equal payment periods, total institutional charges, including any book, supply or equipment charges, must be divided by the number of payment periods. For other programs, the institution must divide the number of credit or clock hours in the payment period by the number of hours in the program and multiply the result by total institutional charges for the program. 34 C.F.R. § 668.164(c)(5).

Regardless of whether the institution charges for other types of tuition and fees by payment period, the cost of books or supplies (including kits) must be prorated when determining the amount of Title IV aid to credit for a given payment period if students do not have a real and reasonable opportunity to purchase the books and supplies elsewhere and the books and supplies are intended for use over a period greater than a payment period. In cases where an institution charges tuition and fees by payment period, but is required to prorate the cost of books and supplies intended for use over more than one payment period, the institution should add the cost of the books and supplies prorated under the regulatory formula to the tuition and fees it charges for the payment period when determining the amount of Title IV aid to credit to the student's account for that payment period. Any other outcome would render the regulatory language above meaningless.

Note that when a student withdraws, the Department's guidance limits the amount of Title IV aid that an institution must return to the Department for aid credited for certain types of unreturned equipment, even if charges for such equipment would otherwise be considered an institutional charge under 34 CFR 668.164 (c)(1)(i). When performing a Return of Title IV funds calculation, an institution may exclude from institutional charges the documented cost of unreturnable equipment and the documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal. 2017-2018 FSA Handbook, Volume 5, Chapter 2 at 5-17.

DJA CALENDAR

Monthly DJA Webinar: *General Participation Requirements—Wednesday, June 6, 2018 at 11 a.m. CST*

NOTE: There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: <http://www.worldtimezone.com/time-usa12.php>

Webinars are free to clients. There is a fee for all others who may be interested in joining us for these presentations. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Kim Onderek at konderek@gotodja.com. After registering, you will receive the log-in information. Questions can be directed to Kim by email or by calling toll free at 1-800-242-0977.

2018 DJA MONTHLY WEBINAR SCHEDULE

MAY 2	Return of Title IV Funds (Including LOA)
JUN 6	General Participation Requirements
JUL 11	Campus Crime Report
AUG 1	Entrance and Exit Counseling
SEPT 5	Cash Management
OCT 3	Enrollment Reporting Using NSLDS
NOV 7	Program Integrity (Audits, Program Review)
DEC 5	1098-T Reporting



2018 CECU Convention and Exposition

DJA will be an exhibitor at the Career Education Colleges and Universities (CECU) Convention & Exposition being held June 3-6 in Orlando, FL. Please stop by and visit with us to see how DJA can be of service to you in meeting your Financial Aid processing needs. Details about this convention can be found at: <http://www.cecuevents.org/>. See you there!

Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.

