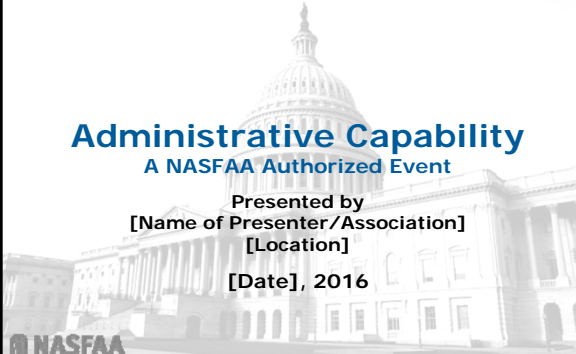





# NASFAA University Authorized Training Administrative Capability

National Association of Student  
Financial Aid Administrators




**Administrative Capability**  
A NASFAA Authorized Event

Presented by  
[Name of Presenter/Association]  
[Location]  
[Date], 2016

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**Lesson 1:  
Introduction to  
Administrative Capability**

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**Administrative Capability**  
34 CFR 668.16(a)

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution—

(a) Administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA.

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**Measures of Administrative Capability**




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**Lesson 2:  
Adequate Resources,  
Separation of Functions,  
and Information Sharing**

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# NASFAA University Authorized Training Administrative Capability

## Regulatory Requirements

- Designation of a capable individual
- Assigning an adequate number of staff
- Communicating all required information
- Providing adequate financial aid counseling
- Employing adequate number of qualified staff
- Showing no findings in audits and reviews
- Demonstrating competency, integrity, and ethical behavior



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## Designation of a Capable Individual



- President or CEO must designate:
  - Capable individual
  - Responsible for administration of Title IV programs



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## Adequate Number of Qualified Staff



- President or CEO must ensure institution has:
  - Adequate number of qualified staff
  - Sufficient to administer Title IV programs in which the school participates



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## Communication of Required Information



- Information communicated to designated individual to ensure:
  - Student eligibility criteria are met
  - Proper and effective packaging of various types of financial assistance
  - Correct packaging of need-based and non-need-based aid



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## Provide Adequate Counseling



- Institutions must provide adequate counseling to enrolled and prospective students, including:
  - Sources and amounts
  - Methods of:
    - Determination
    - Disbursement
    - Payment



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## Provide Adequate Counseling



- Rights and responsibilities
  - Refund policy
  - Return of Title IV funds requirements
  - Satisfactory academic progress standards
  - Conditions that may alter financial aid package
  - Entrance and exit counseling for Title IV loan borrowers



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# NASFAA University Authorized Training Administrative Capability

## Participation in Required Electronic Processes



- Adequate staff
  - Maintain level of technological expertise
  - Perform day-to-day duties and electronic processes



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## Other Areas of Administrative Capability

- No evidence of problems
  - Review findings
  - Audit findings
- Not otherwise lacking administrative capability



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## Monitoring and Evaluating



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## Separation of Functions—Checks and Balances



- No single office may award and disburse Title IV aid
- Must be organizationally independent
- May not be family members
- May not exercise substantial control



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## Separation of Functions—Checks and Balances

### PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

#### Subpart B—Standards for Participation in Title IV, HEA Programs Sec. 668.16 Standards of administrative capability.

(c)(1) Administers Title IV, HEA programs with adequate checks and balances in its system of internal controls; and

(2) Divides the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to any particular student aided under the programs. For example, the functions of authorizing payments and disbursing or delivering funds must be divided so that for any particular student aided under the programs, the two functions are carried out by at least two organizationally independent individuals who are not members of the same family, as defined in 668.15, or who do not together exercise substantial control, as defined in 668.15, over the institution;



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# NASFAA University Authorized Training Administrative Capability

## Integrated Electronic Systems



- ED allows computer systems that simultaneously authorize and disburse
- Computer system:
  - Programmed with safeguards and internal checks
  - Guards against cross-functional tampering



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## Conflicting Information

### PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

Subpart B—Standards for Participation in Title IV, HEA Programs  
Sec. 668.16 Standards of administrative capability.

(f) Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate, the Secretary considers whether the institution obtains and reviews—

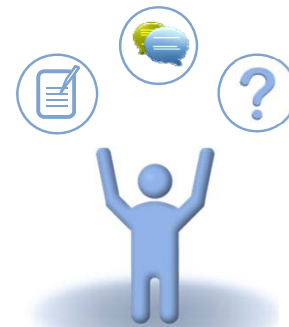


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## Conflicting Information

- Citizenship status
- Social Security number
- Default or overpayment status
- Drug convictions
- Academic status
- Other student assistance
- Cost of attendance information

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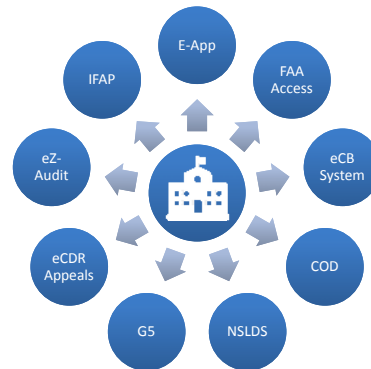


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## Lesson 3: Electronic Processes, Recordkeeping, and Contingency Planning



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# NASFAA University Authorized Training Administrative Capability

## Electronic Communications

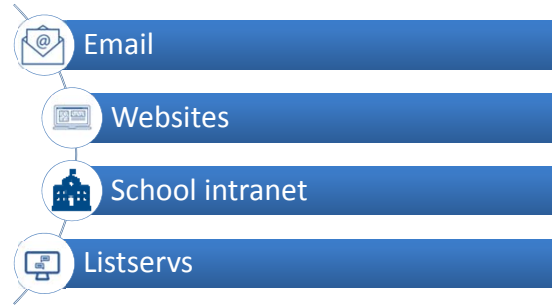


- E-Sign Act
- Electronic signatures and records may be used
- School must obtain confirmation, acknowledgement or approval from student
- Safeguard against fraud and abuse



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## Electronic Communication Methods



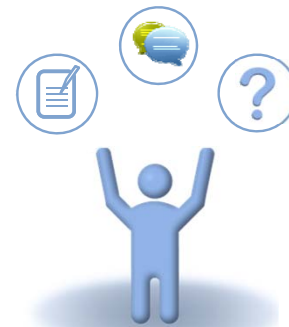
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## Privacy and Security Safeguards

- Family Educational Rights and Privacy Act
- Identity theft
- Password and personal identification number
- User identification and entry-point logging
- Security system quality controls
- Access security levels
- Email protections



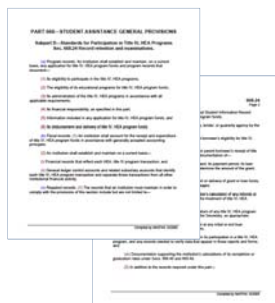
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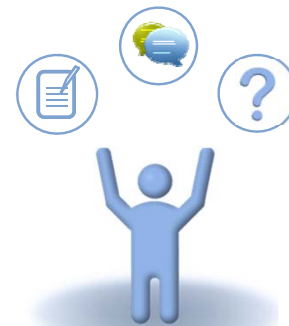
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## Record Retention and Recordkeeping

- General administrative capability requirement
- 34 CFR 668.24



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# NASFAA University Authorized Training Administrative Capability

## Lesson 4: Other Administrative Capability Requirements



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## Satisfactory Academic Progress

- “Same as or stricter than” requirement;
- Qualitative standard (grades);
- Quantitative standard (pace);
- Maximum time frame requirement;
- Frequency of evaluation; and
- Appeal policies.



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## Consumer Information

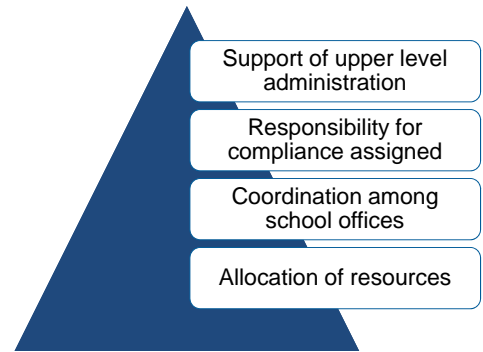
Comprehensive List of Title I and Title IV  
Consumer Information and Disclosure Requirements

Disclosure	Sources	When disclosure must be made	Disclosure Recipient	Disclosure Method(s)	Comments
Academic programs, facilities, and instructional personnel	HEA 485(a)(1)(D), (F) 668.41(a)(2) 668.43(a)(5) 668.231(a), Comprehensive transition and postsecondary program 2015-16 FSA Handbook, p. 2-111	Information must be readily available	Enrolled and prospective students	Paper or electronic	See the discussion regarding making information available in the Federal Register, §2109, p. 42395.
Accreditation and licensing of the institution	HEA 485(a)(1)(J) 668.43(a)(6)(D) 2015-16 FSA Handbook, p. 2-112	Information must be readily available	Enrolled and prospective students	Paper or electronic	The information must include contact information for filing complaints about the institution. See the discussion regarding making information available in the Federal Register, §2109, p. 42395.



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## Institutional Involvement

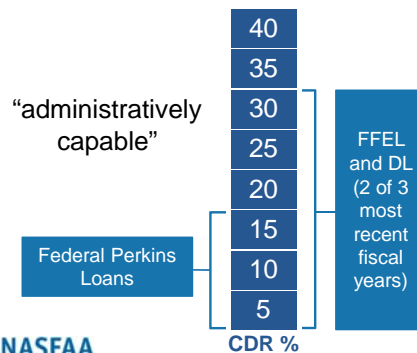


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## Cohort Default Rates



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