SESSION 3 Overall Fiscal Procedures for Campus-Based Programs: Funding Process, Nonfederal Share, and Transferring Funds

OVERVIEW

A. The Funding Process
   1. Applying for Funds
   2. Allocation Process
   3. Receiving Funds
   4. Proper Use of Funds

B. Federal and Nonfederal Funding Shares
   1. Federal Supplemental Educational Opportunity Grant (FSEOG)
   2. Federal Work-Study (FWS)
   3. Federal Perkins Loan

C. Administrative Cost Allowance (ACA)

D. Transferring Funds Between Programs

E. Carry Forward/Carry Back

MAIN OBJECTIVES

◊ You will be able to describe the main steps in applying for campus-based program funding.

◊ Using a lab exercise, you will be able to calculate nonfederal shares and appropriate administrative cost allowances (ACAs) for a variety of typical situations.

REFERENCES

Detailed information on this topic can be found in:

◊ *The Blue Book*, Chapter 3 - Key Fiscal Procedures in Title IV Campus-Based Programs

◊ *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6 - Federal Perkins Loan Program

◊ *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 7 - Federal Work-Study Program

◊ *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 8 - Federal Supplemental Educational Opportunity Grant Program

Campus-Based Programs

- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study (FWS)
- Federal Perkins Loan

Notes:

Timeline for the Funding Process for Campus-Based Programs

By October 1	School submits Electronic FISAP application.
	School mails signed cover letter and the required campus-based compliance certifications.
November/ December	FISAP data edited by U.S. Department of Education, reviewed by school, and returned to ED.
January/ March	ED notifies school of tentative allocation; “Official Notice of Funding” gives final allocation.
July 1	School may begin drawing down funds.
September	School may receive a supplemental allocation from ED through the reallocation process.

Notes:

Official Notice of Funding

Please review:

pages 79 and 80 in *The Blue Book.*

Notes:

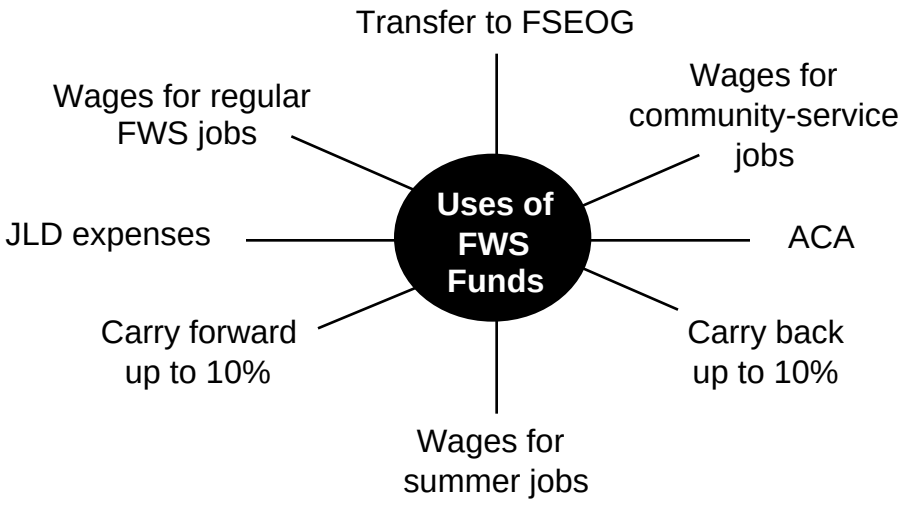
Official Notice of Funding for a Supplemental Allocation

Please review:

pages 81 and 82 in *The Blue Book.*

Notes:

Uses of FWS Funds



Notes:

Uses of Federal Perkins Loan Funds

- Loans to eligible students
- ACA
- Transfer of up to 25% (to FSEOG and/or FWS)
- Allowable collection costs and litigation expenses
- Repayment of short-term, interest-free loans from the institution to its Federal Perkins Loan fund (overmatches)
- Capital distributions

Notes:

FSEOG Nonfederal Share Requirement

- Individual-Recipient Basis
- Aggregate Basis
- Fund-Specific Basis

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Notes:

FSEOG Nonfederal Share Calculation

$37,500	(75%) Federal Funds
$12,500	(25%) Nonfederal Funds
$50,000	(100%) Total FSEOG Awards

Notes:

FWS Nonfederal Share Calculation

	$120,000 (75%)	Federal FWS Funds
+	$40,000 (25%)	Nonfederal Funds
=	$160,000 (100%)	Total Funds Available for FWS Earnings

Notes:

Perkins Nonfederal Share Calculation

	$ 3,000 (75%)	FCC
+	$ 1,000 (25%)	ICC
=	$ 4,000 (100%)	Total Funds Allocated

Notes:

Campus-Based ACA Example

FSEOG Expenditures	$20,000
FWS Expenditures	$37,500
Federal Perkins Loan Expenditures	$29,000
Total Expenditures	$86,500

Total ACA = 5% (.05) x $86,500 = $4,325

Notes:

Transferring Funds Between Programs

Please review:

page 77, Section 3.4.1, in *The Blue Book.*

Notes:

Carry Forward and Carry Back

Please review:

page 78, Section 3.4.2, in *The Blue Book.*

Notes: