

Institutional Eligibility

Instructor's Notes

Time Estimate:

Lecture 60 minutes

Exercise 10 minutes

Total Time: 70 minutes

By the end of this session, you will be able to:

- *identify Title IV eligibility criteria for postsecondary schools,*
- *identify the processes necessary to obtain and maintain participation in Title IV aid programs, and*
- *identify the requirements that educational programs must meet to be eligible for Title IV funding.*

INTRODUCTION

This session is divided into three parts.

- In the first part, we'll look at the definitions of an "eligible institution" and the basic eligibility requirements schools must meet when they apply to participate in Title IV programs.
- Then, we'll briefly look at how institutions initially apply to participate in Title IV programs.
- Finally, we'll discuss what schools must do to continue participating in federal student financial aid programs, how changes at a school can affect participation, and how a school can lose its right to participate.

REQUIREMENTS FOR INSTITUTIONAL ELIGIBILITY

The 1992 reauthorization of the Higher Education Act defined **three** types of postsecondary institutions that are eligible to participate in Title IV student financial aid programs.

The Three Institutional Types

Please turn to Chapter 3, Section One, of your Handbook, page 3-6.

As shown at the top of the chart, the three types of schools are:

- institutions of higher education (IHEs),
- proprietary institutions of higher education, and
- postsecondary vocational institutions.

The differences are the **control of the school** and the **length of the programs** at the school.

- “Control” refers to whether the school is public or private, as well as whether it is nonprofit or for-profit.

Many schools meet more than one school definition. As an example, many institutions of higher education also meet the definition of a postsecondary vocational institution.

Read the general definitions of eligible institutions in this chart. Then, in your Workbook, check off the definitions in the chart on page 3 that apply to your school. [IG, pg. 23]

I’ll give you a couple of minutes to do this. Remember, your school might meet more than one definition.

» Allow participants about 2 minutes to work on this task.

Now let’s see what kind of institutions **you** come from.

» Count of the number of hands raised for each question.

- Please raise your hand if your school meets the definition of an institution of higher education.
- Please raise your hand if your school meets the definition of a proprietary institution of higher education.

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Types of postsecondary
Institution

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■ Please raise your hand if your school meets the definition of a postsecondary vocational institution.

■ How many people are from schools that meet more than one definition?

» For this question, call on one or two people raising their hands to tell you which definitions their schools meet.

As we have just discovered, all three types of schools may apply to participate in all federal Title IV student financial aid programs.

Eligibility Requirements

Chapter 3, Section One, of the Handbook discusses eligibility details on requirements and definitions.

We'll now look briefly at some of the important details.

Please turn to page 3-7 of the Handbook. Look at the section titled "Control and Legal Authorization."

Control and Legal
Authorization

■ This section clarifies school "control." For example, a proprietary institution of higher education is always a private **for-profit** institution.

- The other two types of institutions are always **nonprofit**; they can be public nonprofit or private nonprofit.

■ To qualify under any of the three definitions, the school must be legally authorized by the state it is in to provide a postsecondary educational program.

Please turn to page 3-8 of the Handbook. Notice the section titled "Accreditation." To be eligible, all schools must be accredited by a nationally recognized accrediting agency—except in two cases.

Accreditation

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- If an unaccredited school is a public postsecondary vocational institution, it can be approved by a state agency that is recognized by ED.
- Or a school other than a proprietary school may be preaccredited by a nationally recognized accrediting agency that has been approved by ED to grant preaccreditation.

Please turn to page 3-9 of the Handbook, and look at the section titled “Admissions Standards.”

Admissions Standards

- Schools must admit as regular students only two types of applicants:
 - persons with a high school diploma (or its recognized equivalent), usually a GED, **or**
 - persons beyond the age of compulsory school attendance who have the ability to benefit from postsecondary education. These students must pass an ED-approved written test, called an ability-to-benefit test, or ATB test, to be eligible for federal student aid.
- ◆ If a school does not offer a two-year associate degree or a four-year baccalaureate degree and admits more than 50% of its students as ability-to-benefit students, the school is ineligible for Title IV funds.*
- Additionally, if a school admits students without a high school diploma or its recognized equivalent, then the school must make a GED preparatory program available to those students. However, the school itself is not obligated to provide this course. The school can instead direct all GED students to a time and location where the course is offered.

*A nonprofit school may have the 50% limitation waived if it serves low-income students who receive training through contracts with federal, state, or local government agencies. The percentage of ability-to-benefit students not served under such contracts cannot exceed 40% of the school's regular enrollment.

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Other Eligibility Factors

Please turn to page 3-18 of the Handbook. Look at the section titled “Other Eligibility Factors.”

- This section lists several instances when institutions are ineligible to participate in Title IV.

“85% Rule”

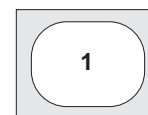
A proprietary institution must meet what's known as the “85% Rule” to be eligible.

- This rule states that not more than 85% of the school's revenue can come from Title IV program funds.
- The 85% Rule is often referred to as 85/15. That's because a minimum of 15% of a school's revenue must come from non-Title-IV funding.
- To calculate the 85% figure, a school must use the ratio provided on the overhead. (OH 1)
 - The numerator is the revenue from all Title IV program funds for the school's fiscal year, except that Federal Work-Study (FWS) and State Student Incentive Grant (SSIG) funds are not counted as revenue.
 - The denominator is the institution's total revenue for the school's fiscal year.

If you are from a proprietary institution, you will want to read this section of the Handbook and “Dear Colleague” Letter GEN-95-26 very carefully to become acquainted with the components of the ratio and how to calculate the percentages.

Proprietary institutions participating in Title IV programs must calculate this percentage at the end of each fiscal year. If a school exceeds 85%, it loses its eligibility immediately.

✓ 34 CFR Part 600
✓ DCL GEN-95-26



Instructor's Notes
Correspondence Courses

A school is not eligible for Title IV participation if more than 50% of its students are enrolled in correspondence courses or more than 50% of its courses are correspondence courses.

- These requirements may be waived for institutions that offer two-year associate degrees or four-year bachelor's degrees if the students enrolled in correspondence courses do not receive more than 5% of the total Title IV program funds received by all the school's students during the most recently ended award year.

"Two-Year" Rule

Please turn back to page 3-10 of the Handbook. Look at the section titled "Two-Year" Rule.

✓ 34 CFR Part 600

To apply for Title IV participation, proprietary institutions and postsecondary vocational institutions must have been providing continuous postsecondary instruction to prepare students for gainful employment in a recognized occupation for at least two consecutive years (24 months).

- The educational program being offered at the time of application must be substantially the same in subject matter and in length as the educational program offered during the previous two-year period.
- This two-year rule also applies to locations of eligible institutions that want to become eligible as freestanding institutions in their own right.

Note to Instructor:
Course or curriculum content are allowed to change due to new technology or requirements of other federal agencies.

"Program Eligibility Requirements"

Please turn to page 3-21 of the Handbook and look at the section titled "Program Eligibility Requirements."

- All eligible institutions must offer at least one eligible program.

- All IHEs are required to provide a program leading to a degree, certificate, or other recognized educational credential.
- **At least one** of the programs at the school must meet the minimum program length required by the Title IV definition.

An eligible school may also have some educational programs that do **not** meet the minimum standards. These programs and students in these programs will **not** be eligible for Title IV aid, as we'll discuss in a few minutes.

- Every eligible program must define an academic year with a minimum of 30 weeks of instructional time, 24 semester or trimester hours, 36 quarter hours, or 900 clock hours.
- To determine weeks of instructional time, a school counts the period that begins on the first day of classes and ends on the last day of classes or examinations.
- A school can use different academic years for different programs and for programs at different locations, or evening and day courses. A school can also establish different academic years for an evening version of a day program and for the same program offered at different campuses.
 - But, a school must use the same academic year for all SFA purposes, including calculating awards for all students enrolled in a particular program.
- Credit-hour courses must have a minimum of 12 hours per week of instruction, examinations, or preparation for examinations.

Additional criteria for specific eligible programs, such as flight training or English as a Second Language (ESL), are in Chapter 3 of the Handbook, on page 3-32.

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Note to Instructor:

A school that does not meet the definition of an IHE may be eligible if it offers a two-year educational program that is acceptable for full credit toward a bachelor's degree.

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- For example, an eligible program for flight training must also have a current valid certification from the Federal Aviation Administration.

Now, please turn to page 3-15.

Clock-Hour to Credit-Hour Conversion

To determine if an undergraduate educational program measured in credit hours meets the definition of an eligible program for financial aid purposes, the institution must apply the clock-hour-to-credit-hour conversion formula.

These schools don't need to use the formula if:

- the program is at least two academic years in length and provides an associate degree, a bachelor's degree, or a professional degree;
- each course within the program is acceptable for full credit toward an associate degree, a bachelor's degree, or a professional degree at that institution, and the program is at least two academic years in length; **or**
- the program is offered by a hospital-based school of nursing that awards a diploma on graduation.

All other credit-hour schools must apply the clock-hour-to-credit-hour conversion formula:

- Each semester or trimester credit hour must be at least 30 clock hours of instruction.
- Each quarter credit hour must be at least 20 clock hours of instruction.

The Handbook provides additional information and discusses other eligibility criteria.

We have provided you with an overview and introduction to institutional eligibility requirements. After this workshop,

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you'll need to build on this foundation by reading the Handbook carefully.

One last point—if a school has a change relating to compliance with any of these criteria, it might mean a change in eligibility or loss of eligibility for federal student financial aid programs.

- For example, if a school loses its accreditation or files for bankruptcy, it loses Title IV eligibility.

Are there any questions?

APPLYING FOR INITIAL INSTITUTIONAL PARTICIPATION

Before we begin talking about the application process, let's look at a few important participation requirements listed on page 4 of your Workbook.

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To begin participating in Title IV programs, a school must:

- designate an individual to administer SFA programs;
- demonstrate that it is financially responsible;
- offer at least one eligible program;
- define its academic year; and
- determine whether programs will be measured in credit hours or clock hours.

Before the certification process can be completed, each school's chief administrator* and financial aid representative must do what you are doing right now—complete this Title IV pre-certification training program.

There also may be other times when schools have to send representatives to precertification training workshops:

*For a for-profit school, the chief administrator is the school's owner or an administrative official designated by the owner. For a nonprofit school, this is the school's chief administrator or an administrative official designated by the chief administrator.

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- For instance, when a school wants to participate in a Title IV program for which it has not been approved.

After training is completed, the trainers notify ED of the school's course completion.

The Application Process

We will now briefly discuss the process of applying to participate in Title IV programs.

Some of you are getting ready to submit an application and others of you have recently submitted one. Look at page 5 in your Workbook [IG, pg. 24], and you'll get an overview of the entire process and can see what point you've reached.

In five circumstances, institutions must submit a **fully completed** application for approval to participate in federal student financial aid programs. When they:

- wish to be initially certified to participate in federal student financial aid;
- undergo a change of ownership or structure and they wish to participate in federal student financial aid programs;
- wish to be recertified at prescribed intervals to continue to participate in federal student financial aid programs (generally, this is every four years);
- wish to officially become what is known as an "eligible institution" so that their students may receive in-school deferments under federal student loan programs, or so that they may participate in federal HEA programs other than student financial aid programs; or
- wish to be reinstated to participate in federal student financial aid programs.

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Instructor's Notes**Applying for Initial Participation**

To apply for initial participation, a school sends ED:

- the completed “Application for Approval to Participate in Federal Student Financial Aid Programs” (referred to as “the application” or “the app”) and
- documents requested in the application, such as photocopies of letters of accreditation.

A school filling out an application is able to select which SFA programs it wishes to participate in and to opt not to participate in others.

What if You Have Questions?

If you have questions about applying for the first time to participate in Title IV programs, contact the Initial Participation Branch (IPB) in ED’s Institutional Participation and Oversight Service, known as IPOS.

- IPB’s telephone number is (202) 260-3270. The fax number is (202) 260-3605.
- You can also contact IPB for information about how to apply for eligibility to grant in-school loan deferment status to students.

For more details, please turn to the chart beginning on page 7 of your Workbook. [IG, pg. 25]

» Give the participants a few minutes to look over the chart.

Granting Approval to Participate

In deciding whether to grant approval for a school to participate in Title IV programs, ED considers three main factors: (OH 2)

1. institutional eligibility,

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2. financial responsibility, and
3. administrative capability.

Institutional Eligibility

We've already discussed **institutional eligibility** at the beginning of this session. Remember, ED determines if a school is eligible to participate by considering factors such as the school's programs, state authorization status, accreditation, and length of existence.

Now we'll discuss two other areas of Title IV eligibility: **financial responsibility** and **administrative capability**. The school must meet these requirements for two years before participating in Title IV, and then continue to meet these.

Financial Responsibility

We'll discuss financial responsibility as discussed in the Handbook in Chapter 3, Section 2. It's also found in the regulations at 668.15.

Please look at the top of page 3-30 in the Handbook. Notice that each participating institution must submit an audited financial statement to ED every year.

Financial responsibility is divided into three: general, type-specific, and performance/affiliation standards.

There on page 3-31, you'll see that standards generally applying to schools include:

- providing services as advertised;
- having sufficient administrative staff and resources;
- meeting financial obligations, including refunds, repayments, and other debts; and
- having a statement of solvency in its financial report.

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Please review the chart on page 3-33 with the standards for each type of institution.

» Give participants 1 minute to review chart.

Page 3-34 lists Performance and Affiliation standards ensuring that persons with substantial control over the school have a good standing with ED. Please mark and read this page later.

Administrative Capability

Administrative capability is discussed in detail in the Handbook on pages 3-36 to 3-41.

Each participating school must:

- designate one person to administer federal student financial aid programs;
- have a system to identify and resolve discrepancies for all documents and information related to federal SFA;
- refer fraud to ED's Inspector General;
- have general counseling for all students and entrance/exit counseling for students receiving certain financial aid;
- use different staff to authorize financial aid payments and to make financial aid payments; and
- have a relatively low cohort default rate on student loans.

Certification of Approval to Participate

Once the school is certified to participate, ED's Institutional Participation and Oversight Service sends it two copies of the Program Participation Agreement (PPA) to be signed by the school's President/CEO/Chancellor. The school returns the signed PPAs to ED, where they are signed on behalf of

Eligibility and Certification Approval Report (ECAR) and Program Participation Agreement (PPA)

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the U.S. Secretary of Education. ED keeps one copy, the other is returned to the school for its files along with an approval notice and an official Eligibility and Certification Approval Report (ECAR).

This countersigned PPA certifies that the school meets the standards for participating in the Title IV program (or programs) named in the agreement.

The ECAR and the PPA must be kept on file at the school and must be available for inspection by auditors and program reviewers.

Read the PPA carefully before filing it away! As we've seen, Chapter 3 of the Handbook has more information on the PPA. It is a contractual agreement between the school and ED, and it lists many important requirements, such as:

- Your school must comply with all statutory and regulatory Title IV program requirements.
- The date that ED signs the PPA is the date your school may begin to participate in Title IV programs.

Provisional Certification

In certain cases, temporary or limited approval to participate may be granted. This is done at ED's discretion, and is known as **provisional certification**.

Schools that are applying to participate for the first time may be approved provisionally. A school that allows its PPA to expire must apply for reinstatement to participate in Title IV programs and may be granted provisional certification.

- The conditions of approval are referenced in the Approval Notice and spelled out in the PPA.
- Examples of provisional certification limitations are:
 - The school must post a letter of credit for a specified dollar amount.

Note to Instructor:
See Chapter 3, Section Two, of the Handbook.

✓ 34 CFR 668.13

Note to Instructor:
Although schools sign two PPAs and send both back to IPOS, schools that are to be provisionally certified are told in an interim communication from IPOS that they will be subject to certain provisions specified in an addendum to the PPA.

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- The school's approval expires sooner rather than the normal four years.
- The school is approved to participate only in the Federal Pell Grant Program.
- The school must provide a corrective action plan and reduce its cohort default rate.

Recertification

PPAs last for one full award year for new schools and up to four years for participating schools from the date ED signs them.

- This means that periodically all schools must renew their PPA; that is, they must request **recertification** to continue participating in federal student financial aid programs.

If a school changes ownership or control, its participation in federal student financial aid programs **stops**. The school must notify ED within 10 days of the ownership change, must receive approval of the change, and must receive a new PPA before it may award federal student financial aid.

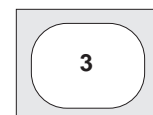
Are there any questions?

REQUIREMENTS FOR CONTINUED PARTICIPATION

Page 9 in your Workbook outlines requirements for continued participation. To maintain institutional eligibility and to continue participating uninterrupted in Title IV programs, schools must: (OH 3)

- maintain accreditation with a nationally recognized accrediting agency;
- maintain licensing with the appropriate state licensing board(s);

Note to Instructor:
New schools get provisional certification for up to one full award year. They then may receive certification for up to four years.

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- continue compliance with other institutional eligibility regulations and Title IV program requirements; and
- apply for recertification of their PPA at least 90 days prior to the PPA's expiration date.

The Higher Education Amendments of 1992 also require schools participating in federal student financial aid programs to report to ED changes to the information on the school's "Application for Approval to Participate in Federal Student Financial Aid Programs."

This is a key point.

Keeping ED Informed

To remain in compliance and to continue awarding federal funds, schools must keep ED informed about changes. (OH4)

This year, ED detailed exactly which changes it needs to know about in "Dear Colleague" Letter _____, beginning on page 10 of your Workbook [IG, pgs. 27-30]. You'll want to read this letter with care and keep a copy easily accessible.

Chart 1 in this "Dear Colleague" letter lists changes you must report to ED and for which you must receive ED's written approval or acknowledgment before you disburse federal funds on the basis of the changes.

Among these items that must be reported and approved are:

- a change in ownership or control,
- a change in accrediting agency, **or**
- adding new educational programs outside the scope of your current approval.

Chart 2 in the "Dear Colleague" letter lists changes that you must report to ED. For these changes, however, you do **not** need ED's written approval or acknowledgment before

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✓ 34 CFR 600.30 and 600.31

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disbursing federal funds on the basis of the changes. Among these Chart 2 items are:

- changes in your third-party servicers that deal with federal student financial aid **or**
- a change in the name of the institution.

Remember, schools are required by law to inform ED's Institutional Participation and Oversight Service of any changes to information listed on Chart 1 and Chart 2.

- Generally, schools must report these changes to ED within ten calendar days of the change. Schools that fail to report changes in a timely fashion may be subject to administrative action, including fines or loss of federal student financial aid eligibility.

Changes to information submitted to ED on your participation application that are not listed on Chart 1 or Chart 2 can be updated when you apply for recertification.

LOSS OF ELIGIBILITY

Schools lose eligibility to participate in Title IV programs and must stop awarding federal funds when they:

- change ownership or have a change of control (including converting to a nonprofit institution or merging two or more institutions);
- close permanently;
- cease to provide educational programs (except during normal vacation periods or natural disasters);
- allow their PPA to expire; **or**
- fail to continue to meet any of the eligibility requirements.

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Also, there are circumstances that automatically result in loss of eligibility to participate that must be monitored annually by schools and self-reported to ED. These are if they:

- file for bankruptcy;
- have their owner or CEO convicted of a crime involving federal funds or judicially determined to have committed fraud involving federal funds;
- offer more than 50% of their courses as correspondence courses;
- enroll 50% or more of their regular students in correspondence courses;
- have 25% or more of their regular students in the category of incarcerated students; **or**
- have 50% or more of their regular students admitted under ability-to-benefit criteria.

Schools must calculate these percentages each year on the basis of the award year that just ended. Schools that lose their eligibility must notify ED by July 31.

The calculations for these percentages, information about possible waivers, and details about how to regain eligibility to participate are explained in Chapter 3 of the Handbook. You will want to acquaint yourself with these specific topics. Some additional situations that result in ineligibility are:

- loss of accreditation or state authorization **or**
- proprietary schools exceeding the 85% funding rule.

As we just mentioned, a school that loses its accreditation is no longer eligible to participate in any of the federal student financial aid programs.

- You should check with your accrediting agency to remain aware of activities or changes that might cause loss of accreditation.

Schools that are closing or otherwise lose eligibility or lose eligibility for a program of study have close-out obligations to fulfill with ED.

They must contact ED immediately to obtain appropriate procedures for:

- filing—within 45 days after their program participation ends—any required reports, such as financial reports or an engagement letter for final audit reports;
- providing and informing ED of the location of records pertinent to the Title IV program (or programs) in which the institution is no longer participating;
 - Furthermore, these records must be retained for three years.
- collecting any outstanding Title IV loans in a program in which the school no longer participates and that requires the school to collect the loans, such as the Federal Perkins Loan Program;
- informing ED of how the institution will distribute properly any refunds of unearned tuition and fees;
- following any state requirements for loss of participation in the State Student Incentive Grant (SSIG) Program; and
- returning to ED (or otherwise properly disposing of) any unobligated Title IV funds.

ED may take corrective actions and impose sanctions on any school that:

- no longer meets federal student financial aid program eligibility criteria;
- violates the law or regulations governing Title IV programs or its PPA; or

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Note to Instructor:

These steps are not just for schools that close; they're also for those that stop providing academic programs that have been eligible for Title IV aid and for those that voluntarily withdraw from Title IV participation.

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- substantially misrepresents the nature of its educational program(s), its financial charges, or the employability of its graduates.

ED's corrective actions and sanctions may include:

- collecting from schools any improperly used federal student financial aid program funds,
- imposing fines, **or**
- imposing limitation, suspension, or termination actions.

REVIEW QUIZ

Now that we have completed this session, take a few minutes to answer the review quiz questions on page 15 of your Workbook. You may use the Handbook as a reference to answer the questions.

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» Questions and answers begin below in the Instructor's Guide. Allow participants 5 minutes to answer the questions before reviewing the answers. Solicit responses from participants.

Q1: Which two types of applicants must a school admit as regular students?

A1: Persons with a high school diploma (or its recognized equivalent) *or*

Persons beyond the age of compulsory school attendance who have the ability to benefit from a postsecondary education.

Q2: ATB stands for ability to benefit. It is a:

- a. school eligibility requirement**
- b. state eligibility requirement**
- c. student eligibility requirement**

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- A2:** (c) ATB is specifically a student eligibility requirement, however, admitting students under ATB affects institutional eligibility, as noted earlier in the session.
- Q3:** Which type of institution must meet the 85% Rule to be eligible to participate in Title IV aid?
- a. public
 - b. proprietary
 - c. private
 - d. all of the above
- A3:** (b) proprietary institution
- Q4:** Which two Title IV programs are excluded as revenue from Title IV program funds when calculating the 85% Rule?
- A4:** Federal Work-Study (FWS) and State Student Incentive Grant (SSIG)
- Q5:** Define the “Two-Year” Rule.
- A5:** To be eligible to apply for Title IV participation, proprietary schools and postsecondary vocational institutions must have been providing continuous postsecondary instruction to prepare students for gainful employment in a recognized occupation for at least two consecutive years (24 months).

BACK AT THE OFFICE

You should verify that your school is properly accredited by a nationally recognized accrediting agency. If your school is accredited by several nationally recognized accrediting agencies, select the **one** agency your school will designate for ED to use in determining your eligibility and continued eligibility.

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Read the Handbook, Chapter 3, Sections One and Two, on institutional and program eligibility and administrative and fiscal standards.

Read DCL _____, which identifies changes that must be reported to ED and DCL GEN-95-26 on the 85/15 rule.

What else should you do when you return to your office?

Are there any questions before going on to the next session?

What's Your Institutional Type?

To find your school type, check all the items in the categories below that apply to your school

Admissions, Accreditation, and Legal Authorization

My institution: (should check all)

- _____ is legally authorized by the state where it offers postsecondary education to provide a postsecondary educational program
- _____ is accredited by a nationally recognized accrediting agency or has met the alternative requirements
- _____ admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory attendance in the state where the institution is located

Program Offered

***This is called a "short-term program"; it may only participate in Direct Loan and FFEL Programs, and it must also meet specific qualitative standards.**

My institution offers: (check all that apply)

- (a)_____ a program that provides an associate, baccalaureate, graduate, or professional degree
- (b)_____ at least a two-year program acceptable for full credit toward bachelor's degree
- (c)_____ at least a one-year training program that leads to a degree, certificate, or other recognized educational credential and prepares students for gainful employment in a recognized occupation.
- (d)_____ training for gainful employment in a recognized occupation **and** meets the criteria of at least one category in the next column
- (d1)_____ at least a 15-week undergraduate program, 600 clock hours, 16 semester or trimester hours, or 24 quarter hours (may admit students without associate degrees or equivalent)
- (d2)_____ at least a 10-week program, 300 clock hours, 8 semester or trimester hours, or 12 quarter hours (must be a graduate/professional program, or must only admit students with associate degrees or equivalent)
- (d3)_____ at least a 10-week undergraduate program, 300-599 clock hours; must admit some students without an associate degree or equivalent*

Two-Year Rule

My institution: (check if applicable to your school)

- (e)_____ has been legally authorized to give (and has been giving) postsecondary instruction for at least two consecutive years.

Control

My institution is: (check all that apply)

- (f)_____ public
- (g)_____ private
- (h)_____ non-profit
- (i)_____ for-profit

Key

****Each institutional type is located in a state**

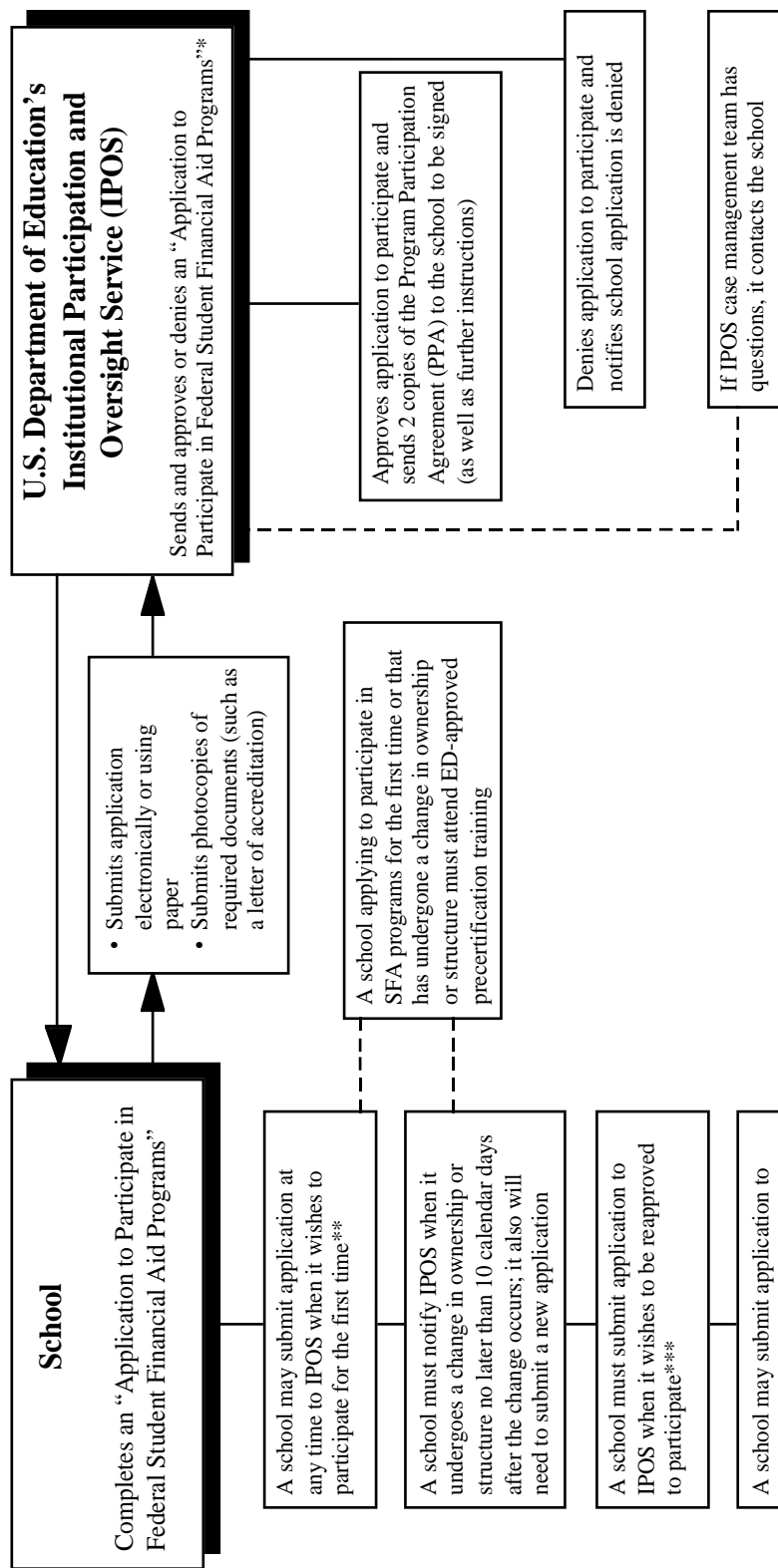
Use the key below to determine your institutional type:**

If you selected items **a** or **b** or **c**; **f** or **g**; and **h**; then your institutional type is **Institution of Higher Education**

If you selected items **d** (including **d1**, **d2**, or **d3**), **e**, **g**, and **i**; then your institutional type is **Proprietary Institution of Higher Education**

If you selected **d** (including **d1**, **d2**, or **d3**); **e**; **f** or **g**; and **h**; then your institutional type is **Postsecondary Vocational Institution**

Application for Approval to Participate in Federal Student Financial Aid Programs



* The official participation application from the U.S. Department of Education (ED Form E40-34P).

** Note: In the case of proprietary institutions and postsecondary vocational institutions, the "two-year rule" applies. It requires schools to provide continuous postsecondary instruction for at least two consecutive years (24 months) before applying to participate in federal student financial aid programs.

*** Deadlines apply. If submitted not later than 90 calendar days before the PPA expires, the school's eligibility to participate continues until the application is either approved or denied. If submitted 0 to 89 days before the PPA expires, it is possible that the school's eligibility to participate may expire before IPOS approves or denies the application.

Questions About Participating in Federal Student Financial Aid Programs

If you have questions, please contact the appropriate ED Institutional Participation and Oversight Service (IPOS) case management team by telephone, fax, or Internet.

- If you are changing ownership or structure *or* requesting initial certification, contact the Initial Participation Branch at:
Telephone: (202) 260-3270 Fax: (202) 260-3605 Internet: IPOS@ed.gov
- If you are a foreign institution or foreign graduate medical school, contact the Foreign School Team at:
Telephone: (202) 205-0183 Fax: (202) 708-9527 Internet: IPOS@ed.gov
- For all other schools, contact the appropriate case management team identified below.

If you are located in...	Contact the...	by telephone...	by fax...	or by Internet...
Alabama	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Alaska	Seattle Team	(206) 287-1770	(206) 553-0799	IPOS@ed.gov
American Samoa	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Arizona	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Arkansas	Dallas Team	(214) 767-3811	(214) 767-0336	IPOS@ed.gov
California	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Canal Zone	New York Team	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
Colorado	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
Connecticut	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
Delaware	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
District of Columbia	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
Federated States of Micronesia	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Florida	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Georgia	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Guam	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Hawaii	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Idaho	Seattle Team	(206) 287-1770	(206) 553-0799	IPOS@ed.gov
Illinois	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Indiana	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Iowa	Kansas City Team	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
Kansas	Kansas City Team	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
Kentucky	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Louisiana	Dallas Team	(214) 767-3811	(214) 767-0336	IPOS@ed.gov
Maine	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
Maryland	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
Massachusetts	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov

If you are located in...	Contact the...	by telephone...	by fax...	or by Internet...
Michigan	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Minnesota	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Mississippi	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Missouri	Kansas City Team	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
Montana	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
Nebraska	Kansas City Team	(816) 880-4053	(816) 891-0983	IPOS@ed.gov
Nevada	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
New Hampshire	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
New Jersey	New York Team	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
New Mexico	Dallas Team	(214) 767-3811	(214) 767-0336	IPOS@ed.gov
New York	New York Team	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
North Carolina	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
North Dakota	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
Northern Marianas	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Ohio	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Oklahoma	Dallas Team	(214) 767-3811	(214) 767-0336	IPOS@ed.gov
Oregon	Seattle Team	(206) 287-1770	(206) 553-0799	IPOS@ed.gov
Pennsylvania	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
Puerto Rico	New York Team	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
Republic of Palau	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Republic of the Marshall Islands	San Francisco Team	(415) 437-8276	(415) 437-8206	IPOS@ed.gov
Rhode Island	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
South Carolina	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
South Dakota	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
Tennessee	Atlanta Team	(404) 562-6315	(404) 562-6321	IPOS@ed.gov
Texas	Dallas Team	(214) 767-3811	(214) 767-0336	IPOS@ed.gov
U.S. Virgin Islands	New York Team	(212) 264-4022	(212) 264-5025	IPOS@ed.gov
Utah	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov
Vermont	Boston Team	(617) 223-9338	(617) 223-4305	IPOS@ed.gov
Virginia	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
Washington	Seattle Team	(206) 287-1770	(206) 553-0799	IPOS@ed.gov
West Virginia	Philadelphia Team	(215) 596-0247	(215) 596-5074	IPOS@ed.gov
Wisconsin	Chicago Team	(312) 886-8767	(312) 353-2836	IPOS@ed.gov
Wyoming	Denver Team	(303) 844-3677	(303) 844-4695	IPOS@ed.gov



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

May 1997

DCL _____

SUMMARY: How to report changes to the information you provided on your Application for Approval to Participate in Federal Student Financial Aid Programs.

Dear Colleague:

This letter tells you how to report changes to the information you provided on your Application Approval to Participate in Federal Student Financial Aid Programs (ED Form E40-34P). The two charts that follow show the information you need to keep up to date.

If sent by U.S. Postal Service, send all changes to the following address:

U.S. Department of Education
Institutional Participation Division
P.O. Box 44805
L'Enfant Plaza Station
Washington, DC 20026-4805

If sent by commercial overnight mail/courier delivery, send all changes to the following address:

U.S. Department of Education
Institutional Participation Division
7th and D Streets, SW
GSA Building, Room 3522
Washington, DC 20407

Information from the application that is not listed on these charts can be updated when you apply for recertification.

We hope that this information will help you observe our reporting requirements. If you have any questions, please call the appropriate case management team listed beginning on page 5 of the Introduction to the Application for Approval to Participate in Federal Student Financial Aid Programs.

Sincerely,

Elizabeth M. Hicks
Deputy Assistant Secretary for
Student Financial Assistance Programs

Note: If you close or file for bankruptcy, you must notify us within 10 calendar days by sending us a letter on your institution's letterhead. Tell us the date you closed (or plan to close) or the date you filed for bankruptcy.

Enclosures: Chart 1
Chart 2

600 INDEPENDENCE AVE., S.W. WASHINGTON, D.C. 20202

Chart 1

⇒ **Changes you must report to us, followed by the question number from the application. For these changes, you must receive our written approval or acknowledgment before you disburse federal student financial aid on the basis of the changes.**

To report a change in...	Use...
Accrediting agency*	Question 15
State authorizing agency	Question 17
Institutional structure	Question 18
Educational programs outside the scope of your current approval	Question 26
Addition of non-degree programs outside the scope of your current approval	Question 27
Changing from or to clock or credit hours	Question 27
Addition of a location	Question 30
Federal student financial aid programs for which you are approved**	Question 37
<i>For for-profit institutions only</i>	
Type of ownership	Question 22
Ownership	Question 24

Notifying us of any of these changes is a two-step process.

1. No later than 10 calendar days after the change is made, you must send us a letter on your institution's letterhead notifying us of the change and the date the change was made.
2. As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us:
 - a letter on your institution's letterhead stating your 8-digit Office of Postsecondary Education Identification (OPE ID) number and your 9-digit Employer Identification Number (EIN);
 - copies of the approvals for the change;
 - the portion of the application on which you have entered the information that has changed; and
 - ◇ (Include any documentation asked for in the question. If necessary, use the space provided in Question 69 to supply additional information or explanations.)
 - Section L of the application that contains the original signature of the appropriate person.

We expect that within 35 days after we receive all of your information, either we will send you a letter of approval or acknowledgment, or we will ask you to submit a new application.

*Notify us BEFORE making ANY change that deals with your institution-wide accreditation. We will advise you on how to proceed.
 **Approvals from your accrediting agency and state authorizing agency are NOT required for this change.

Chart 2

⇒ **Changes you must report to us, followed by the question number from the application. For these changes, you do NOT need our written approval or acknowledgment before you disburse federal student financial aid on the basis of the changes.**

To report a change in...	Use...
Name of institution [†]	Question 2
Name of CEO/president/chancellor	Question 10
Name of chief fiscal officer/financial officer	Question 11
Principal location–address change only [†]	Question 29
Other locations–address change only [†]	Question 29
Third-party servicers that deal with federal student financial aid	Question 58
<i>For private nonprofit and for-profit institutions (NOT public institutions)</i>	
Board of directors (but NOT trustees)	Question 20
<i>For foreign schools only (including foreign graduate medical schools)</i>	
Postsecondary authorization	Question 42
Degree authorization	Question 43
Program equivalence	Question 44
Program criteria	Question 45
U.S. administrative and/or recruitment offices	Question 46
<i>For foreign graduate medical schools only</i>	
Facility at which you provide graduate medical instruction	Question 47
Authorizing entity	Question 48
Approval of authorizing entity	Question 49
Length of program	Question 50
Programs located in the U.S.	Question 51

[†]As soon as you have received approvals for the change from your accrediting agency and state authorizing agency, you must send us copies of the approvals for the change. We expect that within 35 days after we receive all of your information, either we will send you a letter of acknowledgment, or we will ask you to submit a new application.

Chart 2 (continued)

Notifying us of any of these changes is a one-step process. No later than 10 calendar days after the change is made, send us:

- a letter on your institution's letterhead stating—
 - ◊ the date the change was made,
 - ◊ your 8-digit Office of Postsecondary Education Identification (OPE ID) number, and
 - ◊ your 9-digit Employer Identification Number (EIN);
- the portion of the application on which you have entered the information that has changed; and
 - ◊ (Include any documentation asked for in the question. If necessary, use the space provided in Question 69 to supply additional information or explanations.)
- Section L of the application that contains the original signature of the appropriate person.

DRAFT