

**PSC-ED-FSA-TISD**

**Moderator: Angie Beatty  
October 1, 2012  
12:30 pm CT**

Coordinator: Welcome and thank you for standing by. At this time, all participants are in a listen-only mode. Today's conference is being recorded. If you have any objections, you may disconnect at this time.

Now, I will turn the meeting over to your host, Ms. Nautochia Webb. You may proceed.

Nautochia Webb: Good afternoon, everyone. My name is Nautochia Webb, and I am a Training Officer with the Department of Education in New York. I would like to welcome you to the U.S. Department of Education 2012 (four) webinar training series.

Now, this series consists of four modules. Module 1, which is on campus-based issues, is what we are presenting today. The remaining three modules -- R2T4 for clock hours, R2T4 for modules, and clock hour issues comprised of balance of our training series for the rest of this week. In addition to being offered for the rest of this week, we will offer these classes again, these workshops again, during the week of October 15. And you can refer to the

Dear Colleague Letter DCL ANN-12-21 for dates, times, and registration information.

Our presenters today will be Dave Bartnicki, the Training Officer in our Atlanta Office; and Greg Martin -- our Training Officer in the Philly office. We do have handouts of slides available for you.

Now, if you go to the top of your toolbar on the right hand side, you'll see an icon that looks like three white pieces of paper. A box will open that will allow you to download the handouts on to your own computer from those three pieces of paper. Okay? And then you can print them out on your own.

You are not allowed to print out from the Web site, so we suggest that you print out from your computer, and you will find it in a format that it is in because in the past we have received information, we received surveys saying that the print was too small in our previous format. So you will have a new format today if you have already been on any of our other webinar sessions.

Because of the number of people with us today, it is not too practical to have the phone lines to have the phone lines open for questions. However, you can submit your questions electronically. You can just click on the Q&A tab at the top, type in your question and click on the word Ask. Please don't click on the raised hand as this function is not available in this venue.

We do have question managers who will be responding to your questions received throughout this entire process. And time permitting at the conclusion of this presentation, we will read some of those questions aloud and provide answers for everyone to hear.

So without further delay, I would like to turn the call over to Greg Martin who will begin our session for today.

Greg Martin: Thank you, Nautochia. And again, I would like to add my welcome to every one of you out there that's here today for our campus-based program session. We, in planning this training, decided to put the sessions together so that it would be addressing various issues involved in the administration of the campus-based programs. So you'll find it's not so much an overview of the program as it is look at various issues that we're going to be hearing over here.

So, let's begin our call here, and I'll see if I can advance the slides. We're going to start with the topic of awarding aid. And as with any of Title IV programs, determining student eligibility and actually awarding the fund to the students is an extremely important function, and it's the foundation upon which we're going to base future disbursements, reporting, and adjustments.

So the next several slides, we're going to look at aspects to consider when awarding specific campus-based aid to students. Various allowances and requirements to keep in mind during that process will also be looked at. And bear in mind that with the campus-based programs, you have a little more latitude in selecting your recipients than you do with other Pell or Direct Loans.

With that in mind, let's look at some of the awarding concepts associated with each of the campus-based programs. And we're going to start with FWS. So we're going to look at a couple of basic eligibility requirements here for the FWS programs.

First, it must be made reasonably available to all eligible students. So we know, of course, that not everybody who has a need will receive FWS, but we say it has to be reasonably available to all of our students. This does not mean that you cannot establish awarding priorities but rather that specific groups, such as graduate students, or part-time students, may not be simply excluded in the interest of managing your funds.

Remember also that there are no limits on the amount of FWS award except that an award combined with the students' other aid cannot exceed need. One of the things you need to look at with FWS and always be aware of is the students' academic workload. The FWS Program is designed to augment a student's education not to supplant it.

So when we say that programs should provide part-time employment, we don't put a specific number of hours on that part-time employment. But bear in mind that when you award this aid to students, their academic workload should be kept in the back of your head. It's not meant to replace the student's education. So it wouldn't be prohibited to have a student work maybe 30 or 40 hours in a given week if there was a specific reason for that, but overall, it should be part-time employment.

For awarding and packaging purposes, you're going to use the student's net FWS earnings and that's going to exclude taxes and other job-related expenses. To determine the net earnings, you would subtract any job-related costs and non-refundable taxes from the student's gross FWS earnings. Examples of job-related costs can include uniforms, the cost of meals, transportation to and from work. For work during vacation periods, job-related costs can even include room and board so long as those costs are incurred only because of the FWS employment.

Next, let's look at the issue of non-attendance because FWS does allow students to be employed during periods of non-attendance; however, there are rules surrounding that. We usually only associate a student's eligibility for Title IV aids for periods when they actually are attending. But as I said previously, one important aspect of FWS is that they can be employed and receive those funds those funds during specific periods of non-attendance, and that might include summer terms, vacation periods or perhaps even unattended term.

In order for the student to receive FWS funds during a period of non-attendance, the student has to be planning to enroll for the next period of enrollment and a student must have financial need associated with that upcoming period. For purposes of packaging, those net earnings will be applied to the cost for that next period.

Of course, when you award FWS, or actually pay FWS to students during a period of non-attendance, there's always the possibility that the student will not come back. So we do have some rules attending to that.

You have to be able to demonstrate that the student was actually eligible for employment. The school had to have reason to believe at the time the FWS was awarded that the student would in fact return and you have to have documentation showing the student's acceptance of an offer for admittance in the next period. The student must immediately cease FWS employment if during that period of non-attendance you learn the student will no longer enroll for the next period of enrollment.

Let's talk a little bit of modules as they relate to FWS because increasingly schools are offering within their terms modular options. If your schools combines a series of many sessions, or modules, and they can be referred to

under many titles, we just - we refer to them as modules here. For example, three summer modules in one summer semester. An FWS student attending any of those modules may earn FWS wages at any time throughout that term. And you may apply those earnings towards the student's financial aid - financial need, rather, for the module attended and/or the next period of enrollment. However, you must base the student's financial need for attending in the summer term on the period when the student is actually enrolled in the modules.

So the student can work at any time during that summer period that the module was in. However, when you're actually looking at the need the student has, it can only be based on those modules the student will attend.

And for additional information on awarding, for periods of non-attendance in terms of modules, I would encourage you to review the 2012-2013 Handbook. That's Volume 3 Chapter 6 on awarding campus-based aid.

Continuing with awarding, let's next move on to awarding in the FSEOG Program, and so basics of awarding there. There are two other programs in the campus-based - that comprise the campus-based programs in addition to FWS, and FSEOG is one of them.

Unlike FWS, FSEOG does not contain minimum or maximum award amounts that you have to keep in mind when awarding. So you can see what they are there on the slide, the minimum being \$100 and the maximum being \$4,000 with that pumped up to \$4,400 if a student is enrolled in a study abroad program. You seldom see minimum awards of \$100, or maximum awards of \$4,000. Some schools do it but very few. Most of you are going to have award to (to fall) somewhere in between there.

When awarding FWS students, you have to institute or rather apply awarding priorities that we prescribe. FSEOG is for students with what we call exceptional need. And so, it sort of goes beyond just the concept of need. So you have to start with Pell Grant recipients with the lowest EFC. And these are Pell Grant - recipients who actually receive a Pell Grant. That's an important distinction not just those who awarded the Pell Grant but those eligible for a Pell Grant, or those who have a Pell Grant eligible EFC, rather, but those who actually receive a Pell Grant; and this is known as the FSEOG first selection group.

Now, bear in mind, this provision does not require students to receive Pell Grant in the same period as FSEOG just as they receive Pell in the same award year they are receiving FSEOG. As an example, a student may receive a Pell Grant in the fall semester only due to reaching her lifetime Pell LEU limits. Though the student will no longer receive Pell Grant disbursements in the spring, she may still receive a spring disbursement of FSEOG under the school's first selection group that's because the student actually did receive Pell.

Not only does a school identify a first selection group, but there's also a second selection group. The second selection group would consist of those students with the lowest EFCs who are not receiving Pell Grants. The second selection group will be utilized only if you have remaining FSEOG funds after making awards to all your Pell Grant recipients in the first selection group. And note that this group would include students not receiving any Pell grant during the award year as a result of exceeding their Pell LEU limits.

So it's important then to keep in mind. We have had some people at institutions suggest that they're using FSEOG to replace funding that's been lost due to the students reaching their lifetime eligibility used with the 600%

limit there. So if a student had lost eligibility due to that and he's not going to receive a Pell Grant, you cannot simply say, well, because he has a Pell Grant eligible EFC that we're going to put that student into the first selection group for FSEOG. That student even with a zero EFC would fall out of that first selection group and would only be awarded FSEOG after you have awarded FSEOG to all of your Pell Grant recipients starting with zero EFC first.

Let's next talk about establishing categories of students. We said that you must abide by our awarding priority which means, or awarding criteria, which makes it necessary to start with Pell Grant recipients with lowest EFCs first. However, you can have categories of students. When establishing an award policy, it's important to remember that you are permitted to establish these categories which are often created to ensure students in certain categories, have an opportunity to be awarded FSEOG, and they can be based on such things as class standing, enrolment status, or the program the student is in.

When you're developing these categories, you can also choose to assign a percentage of dollar amount of each category, and there's no requirement to make that percentage or dollar amount proportional to the needs or the number of students. However, you cannot use categorization to exclude certain students, or groups of students, such as all of your graduate students, or all your part-time students. Although it's with the case FSEOG, obviously graduate will not be - graduate students will not be an issue -- would be with FWS -- but part-time students will be certainly an issue with FSEOG.

If you know your school's funds are limited as to effectively exclude year-after-year certain categories that come later in the sequence, you may not be in compliance with the reasonably available provision. When you employ these categories to package FSEOG, bear in mind that the first and second selection group criteria must still be adhered to. You have to award the assigned FSOG

funds to students with the lowest EFCs who will receive a Pell Grant within that group.

So if you decide for instance that you want to target 30% of your FSEOG to freshmen, you can do that. However, when you put those funds aside to that category, within that category, you must apply the criteria, so you start with your Pell eligible students with lowest EFC first within that particular group.

Finally, remember that FSEOG funds must be made reasonably available for all students over the entire award year. So if you have another start coming later in the year, and most all of you do, probably at least one, for instance of spring start, then you'd have to make certain that there are funds reasonably available for those students who will start in the spring.

Let's take a look at some selection prohibitions, the things you absolutely cannot do when you're selecting FSEOG recipients. You do have a lot of latitude here, but that latitude may not be used to circumvent the statutory requirement that FSEOG be awarded first to Pell Grant recipients with lowest EFCs.

Some of the practices that directly violate this are the following -- awarding on a first come, first served basis; an arbitrary EFC benchmark or cutoff; the use of professional judgment; and awarding. You will recall that professional judgment can only be used to make adjustments in data elements or as cost of attendance, not to circumvent the FSEOG selection criteria.

We already referred to this last prohibition I mentioned, but we'll go into a little more detail here -- awarding FSEOG to offset the loss Pell Grant due to LEU limits. Remember that students who lose access to Pell under LEU could still possibly be eligible for FSEOG under the second selection group. Though

that is unlikely as most schools never get past their Pell eligible students, and many schools don't even get past zero EFC. But it is possible; not likely, but possible.

Let's next talk about crossover payment periods. And a crossover payment period is one that crosses over July 1. It begins before - it begins in one academic year, or one award year, rather, and ends in the other award here. Crossover payment periods would be ones that cross over June 30 and July 1, and therefore contain parts of, or exist in two different award years.

For example, we look at the summer 2012 crossover payment period that contains days in both 2011-2012 award year and days in the 2012-2013 year. When you're looking at crossover periods in FSEOG, you do have some flexibility when determining whether a student is considered to be in the first selection group that has the lowest EFCs that will receive Pell during that crossover year.

If a student receives a Pell Grant during a payment period that occurs in two years and that student is among those students with the lowest EFCs, she or he satisfies the FSEOG first selection group requirements for the crossover period regardless of which award year that period is being attributed to for Pell Grant purposes.

In addition, a student does not necessary have to receive Pell Grant in the same crossover period in which FSEOG is awarded in order to be considered part of that first selection group. As long as the student will also receive a Pell Grant in the award year to which a crossover period is assigned, she is considered part of the first selection group.

So, let's take an example here, a school might assign the summer 2013 term to 2012-2013 award year for Pell Grant purposes. A student's entire Pell scheduled award is disbursed for the first fall and spring semesters, leaving no remaining eligibility for summer. The student attends a summer and FSEOG is part of her aid package. Though no Pell will be disbursed to the student during the summer term, she may be included in the first selection group because summer is assigned to an award year during which she did receive Pell.

So in this situation here, summer was assigned to that award year. She did receive Pell in that award year. Summer would be a trailer in this case. She doesn't actually have to receive Pell in the summer in order to be included in that first selection group and receive FSEOG in the summer.

Continuing of the awarding, let's next look at our final campus-based program, the Perkins Loan Program. As a loan program, it's important to remember that when awarding students, there are annual and aggregate limits. To be eligible to receive Perkins fund, the student must be within their annual or aggregate limit as displayed on your current slide.

As you can see, there are different amounts based on whether the student is an undergraduate or graduate student. And even among the undergraduates, the aggregate limits are adjusted for years completed within an undergraduate program. There is one exception. If the reasonable costs for a foreign study abroad program exceed the cost of attending the home school, the awarded Perkins Loan may exceed the annual and/or aggregate limit by up to 20%.

Let's look at the selection criteria for Perkins Loan. Priority has to be given to students with exceptional need only unlike with the FSEOG programs. You get to define what exceptional need is. It is important that your selection procedures be clearly laid out in writing and uniformly applied.

But some of the latitude you have with Perkins Loan might be in establishing your exceptional need to, for instance, look at categories of students who might benefit from loan cancellation provisions such as on law enforcement or teachers. You can do this within the regulations pertaining to Perkins Loan program but could not do that with FSEOG. So, again, you have a little more flexibility there.

Let's move on from disbursing - from awarding, rather, to disbursing of campus-based funds -- the actual posting or crediting of funds to the account and providing the funds directly to the student. In addition to the general cash management rules, there are a few program disbursement rules that specifically relate to the campus-based program. So let's now take a look at some of those.

For the most part, general disbursement rules are applicable to all the Title IV programs, all with the rules to govern the campus-based funds. FWS, of course, is an exception here. And that is owing to the fact that it is (there in through work). And this slide shows some overlooked considerations in disbursing campus-based funds. Prior-year charge is a key concept to remember when disbursing Title IV funds.

Remember, we do have that \$200 limit on the amount of prior-year charges that may be paid from current year funds. This applies to all Title IV funds, not just campus-based funds. There is no student authorization necessary in order to use current-year funds to cover tuition and fees, contracted room and board for this purpose. But the \$200 limit is absolute. You may not exceed that limit by obtaining an authorization from the student.

So if you're taking the current year funds to go back and pay those prior-year charges, that \$200 limit is firm. However, you do not need to have a student authorization to do so.

Electronic funds transfer to students' bank accounts may be made without authorization from the student. You do have to have proper bank documentation provided by the student in order to do this.

Payment may also be issued to a stored value card or prepaid debit card. However, remember that students have a right to refuse participation in these processes, or may simply neglect to provide the necessary account information. Regardless, it is your obligation to ensure the student is paid through another means such as check with receipt or check - or cash with receipt, rather, to meet any time frames such as the 14-day credit balance requirement. And I think that's an area schools often overlook. They have a process in place whereby a student can go out and opt online to receive any credit balance on a stored value card or prepaid debit card, or they may opt to receive the funds in the form of a check.

However, you always have to account for the possibility that a student will not go out and make any selection at all. And if a student does nothing, does not participate in your process to select which way here she wins the money, you're still obligated to get it to the student within a credit balance time frame of 14 days.

One important report to remember with regard to FWS is that most cases, FWS wages are paid directly to students just like any other employment. However, if you do obtain authorization from the student, you can credit the FWS to his or her account for allowable charges.

If you look at disbursement, (it says they) pertain to FSEOG and Perkins. When awarding FSEOG or Perkins for a full academic year. You must pay a portion of the grant and loan during each payment period even if the student's program doesn't use standard academic terms.

To determine the amount of each disbursement, you would actually divide the FSEOG, (that's) total FSEOG award or Perkins loan, by the number of payment periods the student will attend. As an example, if a student is intending to enroll on a fall and spring semester within the academic year and is awarded \$1,000 after COG, the school would simply divide the award into two equal halves. That's \$500 in each semester.

However, you are allowed to pay FSEOG or Perkins in unequal amounts if the student has costs or resources that are different for the two different payment periods. You may also make payments within the payment period in whatever installment will best meet the student's need.

We're looking at FWS wages. It's important to understand that FWS disbursements are quite different from the other campus-based programs. For instance, we say with FWS wages, they must be paid at least monthly. And this takes into account the fact that FWS is in most cases paid directly to the student as wages, generally using your payroll system. You're paying your FWS employees the way you would in any other employee. And we do have a rule that says they must be paid at least monthly.

In fact, since FWS is making payments to employees and need-based jobs, you must disburse the funds within payroll periods. Of course, when setting up payroll period, you do have choices, but we often find it as a good idea to pay students in a manner that corresponds with the way you do your payroll overall in the institution.

Unless you're paying the student with non-cash contributions, you must pay the non-federal share to the student at the same time you pay the federal share. Any non-cash payment, tuition fees, services or equipment, must be made before the student's final payroll period of the award year. We do allow you to use non-cash contributions to pay the non-federal share that your share of FWS. And we give an example of tuition fees, services or equipment. But it's important that if you do that, you make certain that the value of those - of that non-cash payment equals what the student would have received in the form of cash.

One key foundation throughout the FWS Program is that FWS wages are earned when the student performs the work. It is possible for student - or rather for school to pay the student after her last day of attendance for wages earned while he or she was still in school. However, when a student has withdrawn from school and is not planning to return, FWS funds may not be used for work performed after the student withdrew.

Let's look at FWS and crossover payment periods. We did mention crossover payment period early in the session. But here, we need to briefly discuss them in reference to FWS payments. And as a reminder, a crossover payment period that contains both June 30 and July 1, and crosses over into two award years.

When a financial aid package is a student in a crossover period, they will use the same (expect) to family contribution for direct loans as they do for the campus-based programs. However, the funds (max) will be paid out of two different award years because payment of an FWS for crossover periods is dependent upon when the wages are actually earned.

So let's take an example, take the 2012-2013, 2013-2014 crossover period, compensation earned through June 30, 2013, will be paid with funds allocated for the 2012 award year. Compensation earned starting July 1, 2013, will be paid with funds allocated to the 2014 award year. It's important to remember this for FISAP purposes.

And funds earned late in one award year may not actually be paid until the following award year has begun. A student may work in June of 2013, but payroll for those hours will not be processed until July of 2013. Remember the wages earned are still for 2012-2013. Payment from that year's allocation and FISAP, which is due October of 2013, must reflect this.

In addition, as this the case with other Title IV funds, your school may, with written authorization from the student, hold FWS funds that would otherwise be paid directly to him. These amounts must be identified in a subsidiary ledger at your school. And the remaining amount must be disbursed by the end of the final payroll period.

Normally, you don't see this with FWS, but it is something which is offered to you. The same as you can do with other Title IV funds. But in most cases, you'll just be paying FWS as wages to the student.

One commonly held misconception is that FWS recipients may not receive overtime pay. This is not true. FWS employment is subject to applicable labor rules the same as any other employment. However, primary consideration should always be given to the student's academic obligations. FWS employment is intended to complement the student's education, as we've said earlier, not to supplant it.

It is never permissible to pay FWS for hours worked during a scheduled class time. We actually get that question once in a while. Why can't I pay the student for hours worked while he should've been in class? And the simple response to that is he should have been in class and that FWS is not meant to replace the student's education.

Another issue is that schools sometimes deal with this -- can FWS wages ever be garnished? So we'll ask that question and answer it. The answer here is almost never. A student's FWS wages may be garnished only to pay costs, any costs associated with the cost of attendance that the student owes the school or that will become due in payable during the period of an award.

You have to oppose any garnishment order you receive for any or the type of debt. That would be any from a local administrative authority or even the state. Even if it is for someone's child support obligation, the simple rule in play here is that federal rule trumps state laws, so you would have to oppose any of those garnishment orders.

By law, FSA funds may only be used for educational purposes. If your school is not the employer and an off-campus employment arrangement, you have to have effective procedures to notify the off-campus employer, that garnishment of FWS wages for any debt other than cost of attendance to simply not permissible.

Next we'll discuss FWS payments for disaster effective students. This is the unique aspect of the FWS Program. And it is that an eligible school located in any area affected by a major disaster such as - that has to be a disaster determined by the President of the United States, may make FWS payments to disaster-affected students for the period of time, not to exceed the award period in which students were prevented from fulfilling their FWS

obligations. So this would actually be case of students receiving FWS while not working.

The payments may be made to disaster-affected students, or I should say disaster-affected students for an amount equal to or less than the amount of FWS wages that would have been paid had the students been able to complete the work obligation. You must meet the FWS matching requirements unless those requirements have been waived. FWS payments may not be made to a student who is not eligible for FWS, was not completing the work obligation necessary to receive the funds or had already separated from employment prior to the occurrence of the disaster.

Next, we're going to look at an aspect unique to the campus-based programs, and that is transfers of funds and carry-forward/carryback. We mentioned earlier that you have a lot of latitude with the campus-based funds. And this is part that latitude. It is a unique flexibility allowed within this program.

For instance, you have the ability transfer funds between programs during an award year or to carry-forward or back funds within a program to different award years. And these are tools you can use to properly manage your campus-based funds. Knowing your options and flexibilities will enable you to legitimately use program funds to meet changing demands with the added benefit of avoiding having to return any underused funds and having any program reductions.

Let's look at some of those flexibilities that you have. And the first one we'll start with here is fund transfers. In certain circumstances and under certain conditions, you have the flexibility to transfer funds between campus-based programs during a given award year.

So let's start with the FWS program. You may transfer up to a total of 25% of your federal allocation that will be the initial plus any supplemental allocation for an award year to your revolving Perkins fund or to your FSEOG allocation. It's probably fairly rare that someone would print in a Perkins revolving fund.

Transferring it to FSEOG is actually quite common, or you can do both. And this would mean the total dollar amount of the FWS allocation transferred to both programs may not exceed 25% of the FWS allocation. Also remember that the FWS allocation does not include amounts that have been carried forward or carried back.

Some of you may be thinking that since Congress has not provided any new federal capital contributions in the Perkins Program, that FWS currently cannot be transferred, and this is not the case. Actually, because the schools maintains the revolving Perkins fund, it does not need to receive Perkins FCC for an award year and able - to able - in order to be able to take advantage of these transfers. However, one thing you do have to have is a Perkins level of expenditure, or LOE, (we add) for that year in order to take advantage of this.

Let's next take a look at some FSEOG transfers. In addition to FWS, you may also transfer up to 25% of your federal FSEOG allocation to FWS. Of course, you must have a federal FWS allocation in order to be able to do this. It's probably not very common that the school will transfer FWS to FSEOG. In most cases, it's the other way around because granted that it's so much easier to use, but there are some schools who have a specific mission. We do have every student employed at some kind award capacity, and so we'll choose to do this.

Having the ability to transfer the funds can share that as much of your campus-based funds as possible are being utilized by students. If in one year, your school is having a hard time finding students willing to work under the FWS program, you can take advantage of transfer process to increase the available FSEOG allocation by 25% and provide more grant money to students while reducing the potential of having to return any of those unused FWS funds.

And of course, those of you who are currently in the Perkins Program are unable to transfer funds from Perkins into other programs since there is currently no federal cap to the contribution. In those years, when FCC was allocated, you were allowed to transfer up to 25% of that total federal Perkins allocation to FSEOG, FWS, or both. But I don't see us having an FCC for Perkins anytime soon, so that's probably not going to be an issue.

Now, we'll take a look at some general rules regarding fund transfers. When you are transferring funds, aside from specific program requirements, it's important to keep in mind a couple of basic rules here. You must award transfer funds according to the requirements of the program to which they're being transferred to.

For instance, your school must match any FWS funds transferred to FSEOG at the matching rate of the FSEOG Program though the match doesn't have to be made until the transfer has occurred. You must report the transfer of funds on the fiscal operations report portion of the FISAP. Any transferred funds that are unexpended must be transferred back to the original program at the end of the award year.

Finally, if your school wants to transfer an allowable percentage of its FWS allocation to FSEOG, or transfer an allowable percentage of its federal

FSEOG allocations to FWS, the program at the school wants to transfer the funds to must also have a federal allocation for that year. In addition, to transfer up to 25% of your total FWS allocation to Perkins, you must have a Perkins Loan level of expenditure.

Next, we're going to look at the carry-forward provisions. So this is an addition to your transfer latitude that you have. You also have carry-forward. You can use carry-forward to help manage your campus-based funds by carrying forward, overlook a carryback as well, funds within a program from one award year to another. And this can help these fund's shortfalls or increased - or deal with increased demands with an established limits from one year to the next.

Let's start with carry-forward. When carrying forward funds, your school must spend up to 10% of its current year FWS and reference COG allocation in the following award year; hence the term carry-forward. For example, if your school had an FSEOG allocation of \$10,000 in 2012-2013, they could choose to carry-forward \$1,000 to award in the 2013-2014 award year. However, remember that before you can spend any of that current year allocation, you must spend funds carried forward from the previous year.

So this is a good tool to have if you, for whatever reason, do not think you'd be able to expend funds from the current year. You can carry those funds forward into the following year, and expend them there. And it might give you more time to think about how you might award those funds or use them. If get caught at the end of the year with an unexpended funds, you want to keep in mind that you had this carry-forward latitude.

Next, we'll look at carried back. Just the opposite here, your school is also permitted to spend up to 10% of its current year FWS or FSEOG allocation.

That's initial and supplemental for expenses in the previous award year or carried back. The authority that carried back funds from the current year to cover shortfalls can reduce or eliminate the need for your school to fund wages entirely from your own resources.

So it's quite possible that you've run over your FWS payroll for the current year, and you would have to just fund those wages with your own institutional dollar. But this allows you to carry back some funds from the next year into this year so that you can cover those shortfalls.

However, there are some limitations we have look at with carry-forward/carryback. You are not permitted to add funds that are carried forward or back to the total FWS allocation for an award year when you were determining the maximum percentage of available funds that can be used for the following purposes -- transferring funds from FWS to FSEOG; providing a federal share of wages in private and for-profit sector jobs, or the Job Location Development Program, which we're going to look at later. For example, if you carry \$10,000 forward from 2012-2013 to 2013-2014, you may not include that \$10,000 in the total 2012-2013, 2013-2014 FWS allocation for the purposed we just mentioned.

There are some additional provisions for summer. You may carry back FWS funds for summer employment, and that is you can use any portion of your school's initial or supplemental allocation for the current year to pay students wages earned on or after May 1 of the previous award year, but prior to the beginning of the current award year which is July 1.

This carryback authority is an addition to the regular 10% of the current year FWS allocation you can carry-back to the previous award year. You should note however that FWS funds, carried forward or carried back, may not be

used to provide the federal share of wages in private for-profit jobs, or for the Job Location Development Program.

Similar rules apply for carried forward, carried back to the FSEOG Program except where FWS focuses on wages earned May 1, FSEOG focuses on payment periods. Your school must spend any portion of its current award year's initial and supplemental FSEOG allocations to make FSEOG awards to students for payment period that begin on or after May 1 of the prior year, but - and prior to the start of the current award year which is July 1. This carried back authority where some FSEOG, just like FWS, is an addition to the regular 10% carried back authority you have.

So general rules that are applicable here, to ensure the proper institutional matching has occurred, your school must remember to match FWS or FSEOG funds carried forward or back in the award year in which they are spent. Bear in mind that a school's future FWS or FSEOG program allocation is not affected by carrying forward or carrying back funds between years.

As with transfers, you're going to report carried forward and carried back funds on the FISAP. And don't forget that you may not carry forward or carry back FWS funds to any award year in which there is no specific FWS allocation or FSEOG allocation, which every is applicable. Finally, you're not permitted to add funds carried forward or carried back to the total FWS or FSEOG allocation for the award year when you're determining the maximum percentage available for transfer.

Now, as you're no doubt aware, with the campus-based funds, as with our other funds, you use G5 to request those funds. And there are some considerations to keep in mind here with transfer and carried forward, carried back in G5. A common mistake by schools with regard to administering

campus-based is how to properly report transfers and carryforward/carryback in our G5 financial management system.

You have to remember that campus-based funds transfer from one program to another must be entered in G5 as an expenditure against the program from which they were transferred. No actual transfer of dollars from one program to another should take place in G5. That will all be accounted for in a FISAP.

The same principle also applies to carry-forward and carryback as well. FWS or FSEOG funds carried forward or carried back must be entered in G5 as an expenditure against the authorization for the award year in which they were taken so that you may be carrying funds back from one year to another, and you're going to report them on the FISAP as such. You're going to draw those funds against the authorization from the year in which they were taken even though you might be transferring or transferring them or carrying them forward or carrying them back.

This is an important thing to keep in mind here, do not attempt to transfer campus-based funds across either programs or award years in G5 system. This has never been allowed in G5, but previously, there was no system added in place to prevent you doing this. So a lot of schools created some big problems in G5 by doing what we've just told you not to do.

Functionality to transfer a campus-based fund has now been formally deactivated. So as of June 28, 2012, we put an electronic announcement out there which can be found on the IFAP Web site. Schools are no longer able to systematically transfer funds between programs, schools, or award years.

So the G5 system will pretty much prevent you from making that mistake now. But all schools wondered, or people wondered, rather, well, how do I

account for this if I don't do it in a G5 system? Remember that the FISAP, if properly filled out, will account for your carried forward, carried back, and transfers.

Let's next take a look at some matching requirements that are part of participation in the campus-based programs starting with FWS. In general, the FWS - share of FWS wages, rather, paid to a student may not exceed 75% of the total of the student's wages. However, there are some important exceptions to this rule we're going to discuss on the next couple of slides. An example of that would be students working for a private for-profit organization. In that case, the share of the student's wages may not exceed 50%.

In some circumstances, the school may actually use the federal share to pay up to 100% of the FWS wages paid. This is allowed for students who are performing civic education and participation activities and community service projects who are employed as reading tutors for pre-school aged student, children, or elementary school children. Additionally, those employed as math tutors for students in elementary school through ninth grade, or performing family literacy activities in a family literacy project that provide services to families with pre-school or elementary aged children, can be paid with 100% of federal FWS wages.

Developing employment opportunities for FWS students in these areas is beneficial in a couple of ways. First, students in jobs where they provide, for example reading tutoring, are doing some valuable for their community which reflects well in your school. Also, the department encourages schools to place students in these types of positions. Finally, being able to pay 100% federal wages can be a great help in ensuring that your entire FWS allocation is used up.

There's also a situation where a school may use the federal share of FWS wages to pay up a 90% of a student's wages. And this is going to occur when the student is employed at a private not-for-profit organization, or federal or state public agency, or local public agency.

The school does not (own an operator control) the organization or agency. And to satisfy this requirement, you must keep the statement in your file signed by both the agency and the school stating you have no such relationship. The school selects the organization or agency on an individual case by case basis. And the organization or agency must be able unable to pay the regular non-federal share.

To satisfy this requirement, you must keep in your file a signed letter from an official of the agency stating they cannot afford to pay the regular non-federal share. The 90% federal share is limited to no more than 10% of your students paid under the FWS program. So this is an opportunity to have students employed with non-profits that cannot afford to make that, the usual 25% contribution. And so, in this case, the FWS wages may be paid in an amount up to 90% with federal FWS wages.

Let's next talk about FSEOG limits. In the FSEOG and Perkins programs, there are not as many unique situations that allow the alteration of federal share amounts. The federal share of FSEOG made by the school may not exceed 75% of the total FSEOG award. In limited cases, certain types of schools can be granted a waiver from having to provide any institutional matching whatsoever. And we'll discuss a few of those examples - and those exemptions, rather, in a few minutes.

And of course, with Perkins, you have to remember that Congress has not allocated any federal capital contribution in several years. And that includes our current 2012-2013 award year, therefore, there is no federal share or institutional share, also known as institutional capital contribution, at this time with the federal Perkins Program.

Looking at FSEOG, unique to the campus-based program is there is not only a federal share that may accept an award but also, I should say unique with the campus-based program, is a portion provided by the school. So let's look at FSEOG then. The non-federal share of FWS wages must be at least 25% for the award year, per award year except under the exceptional circumstances associated with federal share adjustments we discussed previously.

Your school makes any resource available to pay a share of FWS compensation except federal funds allocated under the FWS program or any other programs where the share is prohibited. The school share can come from its own funds, from outside sources or from both. However, if the student is employed by a profit, a private, rather, not from private for-profit organization, that organization is responsible for the non-federal share. So in that case, we have your for-profit employers as necessary for that employer to pay the non-federal share that can't be meant by the school or any other source.

Your school may pay the institutional share with non-cash contributions. I think we alluded to that earlier. Examples might be room and board, or tuition waivers. If the school's non-cash contribution is less than the remaining 25%, you have to make up the difference with cash.

Keep in mind, you can always choose to contribute more than the minimum required non-federal share. However, you would not report any contributions over 25% on the FISAP.

Now, let's move to the non-federal share in FSEOG. As with FWS, the federal share limitation for FSEOG is 75%. Your 25% non-federal share must be from your school's own resources. Potential resources are varied and include the institutions scholarships and grants, waivers of tuitions and fees, state scholarships and grants, funds from foundations, charitable organizations and finally cash deposited into the FSEOG funds, fund itself.

In the past, the department calculated and disseminated the percentage of state scholarships that could be used to provide the non-federal share of FSEOG and many of you do use state grant to match FSEOG.

Essentially, all state scholarship and grant amounts except for any amounts from LEAP, Leveraging Educational Assistance Partnership and the Grants for Access and Persistence, GAP awards were eligible were to be used in meeting the non-federal share. However, the LEAP and GAP programs are not funded for 2012-2013 as a result, a 100% of state scholarships and grants are eligible to be used as a non-federal match for FSEOG.

There are a couple of ways you can accomplish this match. We'll look at them here. The first is one fund specific. And under this option, your school simply establishes an FSEOG funds into which you deposit FSEOG federal funds and the required 25% non-federal share or institutional match. And FSEOG awards are then made to students from that fund.

We have an example here for you on the slide and it demonstrates how a school might determine what the total amount of FSEOG funds available for

awards is and what the non-federal cap - non-federal contribution to that total must be. The FSEOG federal allocation here is \$57,000 which may comprise no more than 57% of total FSEOG funds awarded. From this, we can determine the total available for awards is \$76,000. And we get that by taking \$57,000 divided by 75%. That will give you your total amount available. Remember, you can't determine what your match is until you determine what the total amount available is.

This leaves a non-federal contribution of \$19,000 that would be the total available \$76,000 minus \$57,000. Both the federal and non-federal shares are deposited into the FSEOG fund from which awards are going to be made. Note that in this example, we didn't take any ACA from the FSEOG fund, if the schools were to take ACA from the fund, the federal share and total available would be, of course, reduced. But in a real world situation, which I think this says school is up and don't take their mention of cost allowance from FSEOG, it would be more common to take that out of FWS. However, you could take it from FSEOG and, again, the numbers would be different if you did so.

The second method you may employ to match FSEOG is the individual recipient basis. With this method, the school provides its share to an individual recipient along with a federal share. Each student's total award must consist of 25% non-federal resources and 75% federal dollars. In this example, Fred, the student, is awarded a \$1,000 of FSEOG, his individual award must consist of - or his individual award rather in this case consist of \$250 in state grant funds and \$750 in federal funds.

So you can see here, we have a total of \$1,000 in FSEOG, \$750 in federal, \$250 in state. So for that particular student (individual recipient), there's a \$1,000 award, 75% is federal, 25% would be non-federal.

Our final matching tool here would be the aggregate basis. And the aggregate basis is a little more flexible than the individual basis and under this method; the school ensures the sum of all funds awarded to FSEOG recipients comprises 75% FSEOG and 25% non-federal resources.

In the example, again, we have a federal allocation of \$57,000 with a total of \$76,000 available for awards and non-federal share of \$19,000. And we saw - when we first started this how we came to that - how we came to the figures. The school will match using state grant funds, a thousand dollars is posted to the account of 57 FSEOG recipients, the school wants to ensure that in aggregate, those recipients receive state funds, state grant funds rather and an amount necessary to meet the \$19,000 non-federal share. Again, the example assumes no ACA will be taken from the FSEOG allocation.

A major advantage of the aggregate basis of matching is that it is not necessary to match on a per award basis as long as an aggregate, FSEOG recipients receive awards from the source of the match in an amount at least equal to the non-federal share the school has (managed) requirements. However, it is important to remember that each FSEOG recipient's award must contain at least some FSEOG dollars.

The aggregate basis has the advantage also of - as does the individual basis of not requiring the school to put any actual dollars into the FSEOG funds award to students. In this case, you got to award the full \$76,000 that was available to students but the only actual cash you put in was \$57,000 from the FSEOG allocation, the rest being made up in the - thus the amount made up for in the form of state grant funds which students would have received anyway.

We should talk about the matching waiver that's out there. We touched on this earlier that it is possible for your school to receive an overall waiver exempting you from having to provide non-federal share amounts. Your school is considered to have applied for a waiver of a non-federal share requirement if you were designated in the eligible school and your school submits complete FISAP by the established deadlines.

Such schools will receive notifications from the department indicating that they have been granted a waiver of a non-federal share which can be viewed in the e-campus-based website. Eligible schools that qualify including developing Hispanic serving institutions, strengthening institutions, American-Indian tribal (controlled) colleges and universities, Alaskan native and native Hawaiian serving institutions strengthening historically black colleges and universities and for the FWS waiver only, strengthening historically black graduate institutions.

In addition to schools mentioned above, any school participating in a Title 3 or 5 Program may be eligible for a waiver of the required match. These schools, if eligible, must reapply every five years through the Office of Postsecondary Education. Chances are, if you are a school that has a - you know qualified to the waiver, you are aware of that.

I do need to point out one important exemption or rather exception, the institutional share requirements for employment provided by a private for profit organization that is the 50% share limitation were for administration of jobs, location, development program are never waived.

Okay, finally, we'll look at providing the non-federal share of Perkins program. As we had continually stressed, since Congress have not allocated any FCC for the Perkins program, there are currently no institutional share

requirements in Perkins. However, even though there will no FCC for 2012-2013, schools that participate in Perkins may elect to make their own contributions to the programs revolving fund in the interest of creating additional Perkins loans for eligible students.

Of course, the school will make loans within their level of expenditure authority, if you need to increase your LOE, you should contact your regional FSA school participation division.

That concludes the first portion of our presentation and I'd like to turn it over to my colleague, David Bartnicki, to continue. David?

David Bartnicki: Thanks, Greg. Hello, everyone. This is David Bartnicki, Training Officer of the Atlanta Region. We're going to continue our discussion on the campus-based programs, especially FWS, focusing on an important piece called the Job Location and Development Program, otherwise known as JLD. Now, this can be a wonderful program that not only assists FWS students but also potentials student workers on campus.

In light of today's economy and the necessity of many student having to work while going to school, let's go over just a few highlights of the JLP Program and see how it may benefit students on your campus. Under the Federal Work-Study, there is a special program that a school can design called the Job Location and Development Program. This JLP Program located and develops off-campus job opportunities for students who are currently enrolled in eligible institutions of higher education and who want jobs regardless of financial need. This is - it can be used to find jobs for both Federal Work-Study and non-Federal Work-Study eligible students on your campus.

When developing jobs, your school must locate develop off-campus jobs that are suitable to the scheduling and other needs of the employed students and must to the maximum extent practicable complement and reinforce the educational program or vocational goal of the student. JLD jobs may be part-time or full-time for either a for-profit or non-profit employer.

A school that participates in the Federal Work-Study Program is eligible to participate in the JLD Program without any prior contact with the department and without any revision to its Program Participation Agreement. Under the PPA, the school agrees to administer the JLD Program according to the appropriate statutory and regulatory provisions.

This is the JLD Program. It's actually considered part of that WS, and institution is allowed to use the lesser of 10% or \$75,000 of their Federal Work-Study allocations to establish or expand their JLD Program. However, keep in mind that you may only use Federal Work-Study funds to pay up to 80% of the allowable cost. Your school must provide the remaining 20% of allowable cost either in cash or in various services.

This requirement, unlike the institutional share requirement for FWS earnings cannot be waived. You must maintain records that indicate the amount and sources your school's matching share.

So what are some of the allowable costs a school can cover with Federal Work-Study funds when carrying out the JLD Program? Well, as you can see on this current slide, there are number of allowable costs which can include staff salaries, except you can't use those pay to a student employed through the FWS program. It can include travel expenses, printing and mailing costs for brochures about the JLD Program, JLD telephone charges, our costs of supply, equipment and furniture, newspaper, other types of advertising that

inform potential employers of the services that JLD offers and finally JLD workshops for students and employers.

In addition to the allowable costs, there are some specific activities or costs that the Federal JLD funds cannot be used to cover. This could include paying students whose jobs were located and developed through the JLD Program, locating and developing jobs at your school or other eligible schools. It cannot be used to place students upon graduation. It cannot be used to displace employees or impairing existing service contracts. It cannot be used to purchase, construct, or alter JLD facilities. And finally, it cannot be used to cover indirect administrative cost. Oh and one important final note, when contemplating developing a JLD Program, always remember that a school is expected to generate total student wages exceeding the total amount of the Federal fund spent under JLD.

FWS is a very versatile program that can be used in many ways to assist your students in gaining an appreciation of the working world, enhancing their learning perspective and providing an avenue of capital to pursue their academic endeavors. The following slides will discuss some of the specific stipulations in place to help guide the use of Federal Work-Study dollars throughout your student body.

Though the under use of campus-based funds criteria can impact any campus-based program, we did choose here to discuss the process when talking about FWS because of the ability for some schools to take advantage of another school's underused funds and turn it into a positive as additional funds on campus. Though we do hope you are able to provide all your campus-based funding to your students, we understand that there are times where you may be unable to use all of your funds received. After using all the management tools provided to you, and as Greg mentioned, some of these include transfers,

carry-forward and back, et cetera, if your school still cannot use its total allocation of funds for the programs, then you, the school, must release unexpended amounts to the department.

Now, in June or July of every year, the Department will pose an electronic announcement that will contain a reallocation form on the department's IFAP Web site. This will request schools to release any previous award year funds that they have not expended so that we can offer schools the opportunity to request supplemental FWS funds specifically for community service.

If you are using the reallocation form to report an under use of funds, it's extremely important to remember that if you return more than 10% of your allocated funds for given award year, under anyone of the campus-based programs, the department will reduce your allocation for the second succeeding award year by the dollar amount returned unless the department waives this provision. To request the waiver, you would indicate a waiver request FISAP and provide your explanation, outlining the circumstances. All waiver information is usually due by early February of each year.

As mentioned, if you school has to return unexpended funds, this maybe the time to explore your wording process and packaging philosophy to try and find out if there are opportunities being underutilized either administratively or student eligibility wise that might enable the school to fully disburse all allocated and allotted campus based funds. In addition, if you had to return more than 10% of your FWS allocation, what steps did you take prior to releasing the funds to ensure that you reviewed every possible use of the funds? Did you explore transferring funds to FS COG or your Perkins fund, for instance? Is there an opportunity to increase awards in the next year by carrying forward funds? Did you consider taking an administrative cost allowance? And if so, did you realize that the entire mount could come from

your FWS allocation? Do you have a JLD Program? Have you used the maximum allocation allowed to support that particular program? And, of course, a lot of this last minute shuffling can be avoided in the future if you carefully review plan and request only the funding that you know is at a level you can use throughout the upcoming year.

As mentioned earlier, the reallocation form is also used by schools to request supplemental FWS funds to pay students in community service jobs. The reallocation form was posted June 20, 2012. It's for schools wishing to return the funds and request supplemental FWS funds. And this can be found in the Setup section of the e-campus based Web site and must be completed by mid August.

Your school can request the supplemental FWS if you have spent at least 5% of your total FWS funds for the award year to compensate students employed as reading tutors or in family literacy activities, and if you have an FWS shortfall as shown on the school's final funding worksheet. FWS funds received under the supplemental (best) must be used to pay student community service jobs. Now, this can be a great opportunity to help strengthen and grow your student's community service employment opportunities.

And speaking of community service, one of the most important features of the FWS program is a school's community service expenditure obligation. There are two community service requirements that a school must meet. You must use at least 7% of your FWS federal allocation for an award year to pay wages to students employed in community service jobs for that year. And in meeting the 7% requirement, one or more of your school activity (less) students must be employed as a reading tutor or performing family literacy activities.

If your school also receives reallocated FWS funds, then the minimum amount of FWS federal funds you must expend on community service would be the greater of 7% of the sum of your original FWS allocation plus your supplemental, or 100% of your supplemental allocation. A school that fails to meet one or both of these community service requirements will be required to return funds in an amount that represents the difference between the amount the school should have spent for community service and amount it actually spent.

Because it can be difficult for schools in certain circumstances to achieve the community service requirement, the department has developed an electronic waiver process exempting schools, if approved, from having to meet the community service obligations. The department posts an annual announcement to IFAP describing the waiver process and giving deadline dates. The most recent announcement on waiver was posted March 13, 2012, which had a due date of April 20, 2102.

You must submit your waiver request to the department electronically via the e-campus base Web site at [www.cbcsap.ed.gov](http://www.cbcsap.ed.gov). If you missed the deadline, a waiver will not be considered. However, the fact that it may be difficult for your school to comply with these requirements is not in and of itself a basis for granting a waiver. In the past, the department has approved a limited number of waivers based upon exceptional circumstances such as small allocations, rule area situations, or the school having specialized programs.

As you are planning and projecting the upcoming years FWS expenditures, be sure to include a discussion around how the school will meet its 7% community service obligation. This may not seem like a lot of funding to worry about, but if not factored in, who else often find themselves scrambling to find students and jobs at the last minute to adhere to these requirements.

Here are a few tips to consider when planning your community service process. Adjust pay rates for community service jobs where warranted. Remember, certain skills may merit more than the minimum wage. You can allocate upfront more than just the 7%, remembering that many students don't always earn their entire award amount. And also certain jobs can be considered both community service and could be funded with 100% federal share of wages such as certain tutoring or literacy jobs.

Oh and don't forget that aside from expending at least 7% of your allocation, you also have to have at least one student employed as that reading tutor or in a family literacy project. Planning, assessing, and implementing, a formal FWS community service strategy will not only benefit your school, students, and community today, but for years to come.

So in keeping with our discussion of specific issues associated with FWS, let's spend the next few minutes talking about employment requirements both regular and community service within FWS. Job descriptions for all FWS positions, it should be a part of the control procedures included in your school's policy and procedures manual. A written job description will help you ensure that the position is one that qualifies under the FWS reg and provides students with key employment information.

Properly assigning jobs is one of the first steps to consider when establishing FWS program on campus. Remember that jobs can be on or off campus. But remember, that if you arrange jobs off campus, with federal state or local agencies or private non profits, the jobs must be in the public interest. And if arranging off campus jobs with private for-profit organizations, the jobs must be academically relevant to the maximum extent possible.

When establishing and assigning jobs to students, make sure it's the right fit for the right student. Things to consider could be financial needs, the appropriate number of hours your students can work, their period of enrollment, and possible wage rates.

As always important to remember that a Federal Work-Study student is an employee and as such is governed by the Fair Labor Standards Act of 1938 which prohibits employers, which includes schools, from accepting voluntary service for any paid employee. Any student employed under FWS must be paid for all hours worked. In addition, all FWS work, whether on or off campus, has certain conditions and limitation as set by federal, state, and local employment laws.

FWS employers must pay students at least the federal minimum wage in effect at the time of employment. If a state or a local law requires a higher minimum wage, the school must pay the FWS student at higher wage. Also, FWS employment must not displace employees or impair existing service contracts. Replacement is interpreted as displacement.

In addition, FWS positions must not involve constructing, operating, or maintaining any part of the building used for religious worship or sectarian instruction. In determining whether FWS employment violates this, a school should consider the purpose of the part of the facility in which the work will take place and the nature of the work to pay to be performed.

When establishing on-campus employment, it is important to remember that a student may be employed on-campus at any type of post-secondary school, including a proprietary. One common area of employment that can be done at any type of school is an assistant to a professor or faculty member.

With this type of job assignment, you want to make sure that the student is doing the works the school would normally support under its own employment program. Having a student service research assistant to a professor is appropriate as long as the work is in line with the professor's official duties and is considered work for the school itself.

And Greg touched on this a little earlier, but one of the most common questions we do receive is related to student employment in earning academic credit. The answer around this is the all popular government reply, it depends. A student may receive academic credit and FWS compensation at the same time but may not be paid less than if no credit were given, paid for time receiving instruction, or paid unless the employer would normally pay a non-FWS person for the same job.

And for our proprietary schools out there today, in our audience, it's important to remember that students can work for your schools. However, certain restrictions do apply. If the jobs are in community service, they may be either on a rough campus. Students employed by proprietary school and performing community service do not have to (furnish) student services that are directly related to their education.

However, if the jobs are not community service, they must be on campus and must provide student services that are directly related to the FWS students training or education. This means that the student must be receiving work experiences that are directly applicable to the skills needed for their career path. One important reminder is that the job may not involve soliciting potential students to enroll at the proprietary school.

In general, jobs that primarily benefit the school are not student services. For example, jobs in facility maintenance or cleaning are never student services.

Student services are those services offered to students. Students are persons enrolled or accepted for enrollment at the school. However, these do not have to be direct. They can involve - they don't have to involve personal interaction students.

For a list of specific job examples, please see the 2012-2013 FSA Handbook Volume 6 for more information. Not only are there on-campus job opportunities but there are also off-campus job opportunities. A post-secondary school including proprietary schools may use FWS funds to pay a portion of the wages of a student employed off-campus by certain non-profit or private employers.

Students employed off-campus by federal, state or local agencies or by private non-profits are encouraged to perform jobs related to their vocational goals. A private non-profit is one in which no part of the net earnings of the agency benefits any private shareholder or individual and is incorporated as such. Also remember that simply working for a non-profit does not automatically mean the job is considered community service.

Work performed off-campus must also be in the public interest. Work in the public interest defined as work performed for the welfare of the nation or community rather than work performed for a particular group. As you can see on the slide, there are several areas considered not to be working in the public interest. Some of these include political activity, lobbying, or benefits to members of a limited organization.

Aside from non-profit employment, it is possible for schools to enter into agreements with private for profit companies to provide off-campus jobs for students. However, these jobs must be academically relevant to the maximum extent possible to the students program of study.

For example, a student studying for a business administration degree could work in a bank handling customer transactions. Also, remember that private for profit organizations do not qualify as employers for community service under federal work study.

Finally, when talking about off-campus employment, it is important to mention that if your school would like an off-campus organization to employ your students; your school must enter into a written agreement with the off-campus organization. A written agreement is required with the off-campus organization even if your school is considered the employer. The school must make sure the off-campus organization is reliable as professional direction and staff and the work to be performed is consistent with the purposes of the FWS program. The agreement should also specify what share of student compensation and other cost will be paid by the off-campus organization.

For profit organizations must pay the non-federal share of student earnings. Any off-campus organization may pay the non-federal share of the student earnings, required employment cause and/or the school's administrative cost not covered by the ACA. Again, for additional information, please see the 2012-2013 FSA Handbook Volume 6, Chapter 2.

Of course, when talking about FWS employment, we have to discuss community service. As discussed earlier, there is a key community service component, don't forget you have to use at least 7% of your allocation for an award year to pay the federal share of wages and in meeting the 7%, one or more of your students must be employed as a reading tutor or in a family literacy project.

Now, community service can mean lots of things to lots of people. However, when finding and assigning jobs to meet the community service criteria within the FWS program, it is important to follow Ed's community service guidelines. Community services are defined as services identified by an institution of higher education through formal or informal consultation with local non-profit, government and community-based organizations as designed to improve the quality of life for community residents particularly those low income individuals or to help solve particular problems related to their needs. The services must be open and accessible to the communities except for support services for enrolled students with disabilities.

Community service jobs can be on or off campus. Non-profit agencies can qualify as community service, if the work performed meets the definition. However, private for profit organizations do not qualify. In addition, the services provided in the community can be direct or indirect. Again, for a list of potential community service areas and jobs, please review the 2012-2013 FSA Handbook Volume 6 Chapter 2.

One last aspect to stress when discussing FWS jobs is tutoring. In an effort to increase the reading and math proficiency of our nation's children, tutoring in these areas has become a federal priority and it is encouraged by the department. In fact, as mentioned earlier, FWS regulations authorized 100% federal share of FWS wages earned by a student who is employed as a reading tutor for pre-school aged through elementary school-aged children; as a math tutor for children and elementary through ninth grade or for performing family literacy activities for those in pre-school through elementary school.

When employing students as reading tutors, schools must to the maximum extent possible give placement priority to schools that are participating in a

reading reform project, that's designed to train teachers how to teach reading and is funded under the Elementary and Secondary Act of 1965.

The department strongly recommends that tutors be well-trained before they tutor. When an FWS student receives training for a specialist or expert, they are more likely to be successful with the child they're helping. Under limited circumstances, an FWS tutor can receive FWS wages while being trained and the wages can qualify for a waiver of the institutional share. The department considers a reasonable training period to be one that occurs before they begin tutoring and that does not exceed about 20 hours. You may not however pay an FWS student to take an academic course your school developed to provide classroom training on tutoring children.

Also, it is possible for the preparation and evaluation time worked by an FWS tutor to qualify for 100% federal share as long as the time spent for this purpose is reasonable. For example, the department would consider attending about one hour evaluation in preparation meetings once a week to be reasonable.

When discussing tutors, one common question, we, in the department, often are asked is will a tutoring job always satisfy the community service requirement. No surprise here, the answer, it depends.

An FWS tutor job might qualify for a waiver of the institutional share but not qualify as part of the 7% community service requirement. For example, if a post-secondary school employs FWS students to tutor young children in its daycare center but the center is not open and accessible to the community, the job could qualify for the institutional share waiver but may not qualify as part of the 7% community service requirement.

Now up until now, we have spent most of our time talking about issues more closely associated with FSEOG or federal work study. So it is only fair that we spend a few minutes talking about an important aspect of the Perkins Loan Program which is liquidation and assignment of Perkins Loan Fund.

On August 5, 2011, the department provided an electronic announcement along with various attachments, forms and instructions outlining the procedures required for school to liquidate its Perkins portfolio and/or assign Perkins Loans to the Department of Education. This guidance superseded any prior guidance. However, I would like to point out that the department is currently developing a revised set of Perkins liquidation procedures, so please stay tuned to IFAP for upcoming updates.

Though we hope you as a school never have to get out of the Perkins program, we understand there are times where it is appropriate or even required for a school to liquidate their Perkins portfolio. This could occur if you voluntary withdraw, if you no longer advance loans to students or if in fact your participation has been terminated. In addition, if a school closes, the school may use these liquidation procedures along with any additional steps required by their school participation division.

To properly liquidate, it must be timely notified, loans assigned to Ed are purchased by the school as applicable, a Perkins program audit properly conducted, any required federal capital contributions returned to Ed and a final FISAP completed. And all of these steps can be seen in the August 5, 2011 electronic announcement.

(But) one assignment is another key responsibility of running a Perkins Loan Program and there are times when you may or even must have to assign loans. Choosing to assign defaulted Perkins loans after due diligence. You might be

assigning a loan to the department after making an initial determination of total and permanent disability or liquidating your Perkins portfolio. Now, these specific forms for assignments and detailed instructions, again, can be found in the August 5, 2011 electronic announcement.

Because there are inherent causes associated with administering the campus-based programs, and it can take a lot of time and energy to do so, the federal regulations do allow you to retain a percentage of your federal allocation as an administrative cost allowance. Your school always has the ability of taking some, all or none of the school's allowed administrative cost.

A school participating in the program is entitled to administrative cost allowance or ACA for an award year, if you advanced funds under the Perkins Loan Program, provide employment under FWS or award grants under the FSEOG Program.

A common question among aid officers is what can the ACA be used for. Well, it could be used to help offset administrative cost such as salaries, furniture, travel, supplies and equipment. It can be even used to help with service fees for bank charges, for maintaining accounts or computer costs for billing under the Perkins Program. It can also be used to help offset cost associated with the Pell Grant Program and can be used to cover expenses for carrying out the student consumer information services requirements.

So how is ACA actually calculated? The amount of ACA is calculated as a percentage of the school's expenditures to students for an award year under the campus-based program. You can see the percentage here listed on the slide based upon the specific dollar amounts allocated.

When you calculate your ACA for the award year, you need to include in your calculation the full amount of your FSEOG awards both the 75% federal share and the 25% non-federal share. If the school makes no match after receiving a waiver, then it will be based simply on the full federal portion of your award. Your school will take the ACA out of the annual authorization it receives for FSEOG and FWS and from your available cash on hand in the Perkins Loan Fund.

Remember, it is not a separate allowance sent to your school. You may draw your allowance from any combination of the programs or you may take the total allowance from only one program.

And finally today in our last segment, we just wanted to mention a few common errors we come across when schools are filling out their FISAP reports. FISAP timeframes and proper reporting of FISAP data are two common areas where schools run into problems. For instance, with the 2011-2012 fiscal operations reports and application to participate for 2013-2014 which is available on the ECB Web site, it is important to remember that this information has been available for some time but the FISAP is due by October 1 of 2012. Schools that wait till last minute to file may find themselves unable to meet our deadlines and in fact, today is October 1, so some of you may be running to submit your FISAP as I speak. Also remember that if you have crossover payments made from 2012-2013, those disbursements should be reported on the next year's FISAP.

Another important fact to point out is that if funds are drawn down from G5 that exceed the amount reported on the FISAP, a negative balance will resolve and you will need to return funds to G5. So it's careful to understand and make sure that you balance between what you've drawn down and what you've expended.

Another common area we've come across are schools failing to make the necessary revisions on the FISAP within set timeframes. After you initially file your FISAP by October 1, you do have until December 15th to make corrections and revisions. Now, this can seem like a long time but it really isn't and many schools end up missing the deadlines. Incorrect FISAPs can impact and reduce tentative and final awards. In addition, Ed will not reinstate funds due to reporting errors.

FISAPs must always be correct, so even after December 15, you still are expected to correct your FISAPs except now you actually have to work directly with the campus-based staff. However, FISAP revisions made after December 15th, do not automatically reinstate funds to the programs in G5. A school that cannot properly update their FISAP on time does call into question their ability to coordinate and work with all the appropriate offices necessary in collecting and reconciling then campus-based data.

Listed on these particular slides are a few more commonly seen areas with regard to the FISAP. Schools not validating FISAP information by third-party servicers, schools requesting more funds they can reasonably expend and schools participating in Perkins not requesting or increasing their level of expenditure.

And finally, some schools forget they can request the waiver for the underuse of funds which would have prevented a funding reduction penalty in following years. Some schools actually adjust downward their FSEOG or FWS authorizations trying to eliminate unexpended funds without going through the formal reallocation process. Remember, campus-based funds should only be adjusted if returned through the reallocation process. For much more comprehensive discussion around FISAP errors, please see the number

12 presentation entitled “Common Errors in FISAP Filing” from our 2011 FSA Conference which can be found on the IFAP Web site under Conferences in presentations.

And as promised, this was simply a brief walkthrough in the campus-based programs. Greg and I simply were trying to provide some various tips, reminders - various tips, reminders and insights into the program. We touched on a number of areas including awarding and disbursing aid, disbursing flexibilities, matching criteria, Perkins liquidation, ACA and common errors in the FISAP. As you know, due to time constraints, we were not able to do an in-depth coverage of all of our topics; however, we hope this has proved helpful.

You can see on this last slide some common resources that can be used to assist in the campus-based programs. Maybe the most important resource is IFAP itself, our electronic resource library. One very important resource is the department’s student aid handbook. Every year the department comes out with a new Federal Student Aid Handbook which can be broken up into several volumes and Volume 6 is completely devoted to campus-based programs.

Also, as mentioned throughout the training, the department periodically puts out Dear Colleague Letters and electronic announcements that provide specific guidance to key aspects of running the programs. And of course, one cannot forget to review the FISAP website. And finally, when in doubt, feel free to call the department’s campus-based call center at 877-801-7168 or at [cbfob@ed.gov](mailto:cbfob@ed.gov).

So this concludes our formal presentation on the campus-based programs. We do hope that this provided valuable insight into your process and

responsibilities. At this time, I'm going to turn it back over to Nautochia Webb who will wrap up today's webinar. Thank you.

Nautochia Webb: Thank you, David and Gregory. Thank you also for your presentations. At this time, we regret that there is not enough time for questions, so we will have to close the call. But we hope that all the questions that were posted during the call have been answered and/or helpful for you to continue in your campus-based program.

Keep in mind that there are update trainings, there are other trainings coming up and you can check for our Dear Colleague Letter of September 7, 2012, for those particular dates and for registering. We'd also like to remind you to open up the evaluation right now and you should see there is an icon on the screen that allows you to complete our evaluation. We would really appreciate your comments, so that we know how we can fix and just update any information in our future webinars.

Again, we appreciate your time today during this session. We appreciate you taking the time out to fill out the evaluations as I speak, and remember to go on to IFAP for all of the update trainings that are coming up for business offices located in the Dear Colleague of September 7, 2012. Thank you all and we are going to close out the session now.

Coordinator: And that concludes today's conference. Thank you for participating. You may now disconnect.

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