

NASFAA



POLICIES & PROCEDURES
TOOLS

Introduction & Instructions

Introduction

The ***NASFAA Policies & Procedures Tools*** show how to create and maintain a policies and procedures manual that meets staff needs for the proper administration of student financial aid in an electronic age. Tools include a user-friendly electronic policies and procedures manual template and a wide array of implements, such as flowcharts, decision-making tools, style and formatting tips, and regulatory resources to assist schools in the formulation, implementation, evaluation, and revision of policies and procedures. It's a well-stocked toolbox to help the school build the foundation of its financial aid operation.

What does NASFAA Policies & Procedures Tools Include?

NASFAA Policies & Procedures Tools include:

- 1. NASFAA Policies & Procedures Manual Template (full version):** This more detailed version of the template is a **year-specific** outline of suggested manual section titles with current statutory and regulatory citations, and references to the *Federal Student Aid Handbook (FSA Handbook)*. Each component contains a description of all sections required or implied by law or regulation that are necessary to administer the Title IV aid programs ***as of the date this template was published***.
- 2. NASFAA Policies & Procedures Manual Template (shell version):** The shell is essentially a pared-down outline of the same template. It is **not year-specific** and does not contain guidance or citations that are likely to change due to statutory or regulatory modifications.
- 3. Regulatory Resources Guide:** This chart provides references to federal regulations that affect the development of financial aid policies and procedures. It assists aid administrators in deciding what explicitly and implicitly constitutes required policies and procedures, as well as areas where schools have implementation options.
- 4. Formulating, Implementing, & Evaluating Policies & Procedures:** This document contains several implements, such as flowcharts and decision-making tools to assist schools in the formulation, implementation, evaluation, and revision of policies and procedures.
- 5. Manual Formatting:** This document contains suggestions and examples of how to format manual pages, make style decisions, and track document changes.
- 6. Policies & Procedures Manual Sample:** This sample demonstrates how a school may use the NASFAA Policies and Procedures Manual template using verification as an example.

7. Reading & Interpreting Regulation & Statute: This document gives practical advice on how to navigate the often complex area of ever-changing laws and regulations in the Title IV programs.

Template Software Version

The NASFAA *Policies & Procedures Manual Templates* are being provided as Microsoft Word files. As most recent versions of Corel's WordPerfect will allow you to open and use the template, the templates are not being provided in WordPerfect format. If you should have difficulty accessing the template files on-line, please contact your information technology or systems staff for assistance.

Additionally, the *NASFAA Policies & Procedures Manual* templates were created in the 2002 version of Microsoft Word. There may be minor conversion issues with earlier versions of Microsoft Word that will require reformatting.

Before You Update the Template

Copy the template file(s) before you begin working on your manual. It is imperative that, as soon as you open the manual template, you save a copy of the original to another location. **Never work in the original template file.** You should only work in the copy that you made from the original; we will refer to this as your *working copy*.

Shared-File, Network, or Internet Locations

The working copy of your template may be saved to a shared-file, network, or Internet location where other staff members may either edit it or use it in a "read-only" mode. This also allows for on-line updates to your manual, reducing the paper traffic in the office and resulting in real-time manual updates.

For example, if your policies and procedures manual is maintained in a file shared by your entire staff, any on-line updates would immediately be available to those staff members at the time of each update. This approach ensures that all staff members have the latest version of a particular section.

You may need to enlist information technology and systems staff to assist in placing your policies and procedures manual in a shared-file, network, or Internet location and with updating these files on a regular basis.

Template Format

Sections & Subsections

The template contains a **section** for each major required or implied policy and procedure component necessary for proper administration of the student financial assistance programs. These sections are sometimes divided into **subsections** that provide more detailed explanations of the section or topic at hand. The sections are as follows:

Section 1: Manual Introduction: While presenting your financial aid office's purpose and philosophy, this section introduces the reader to your financial aid office. It also explains the purpose of the manual and who bears the responsibilities for developing your school's financial aid policies and procedures.

Section 2: Administrative Organization & Office Management: This section provides a snapshot of the institution's structure and gives the reader an idea of where and what role the financial aid office plays in the institution's hierarchy. It also provides information regarding inter-office logistics, administration, and records management, as well as provides guidance regarding the sharing of student record information.

Section 3: Financial Aid Programs: This section addresses institutional eligibility to participate in the federal student aid programs, including eligibility of academic programs. To properly administer the federal student aid programs, schools must demonstrate that they are administratively capable and fiscally responsible. This section of the manual demonstrates the institution's capabilities in these areas. In addition, this section includes information regarding the federal, state, and institutional aid funds that it administers, as well as general student eligibility criteria for Title IV purposes.

Section 4: Consumer Information Requirements: Federal, state, and institutional consumer information requirements are listed here, and the methods by which the institution disseminates this information to its students, parents, and others are also explained.

Section 5: Applications & Forms: The school's financial aid application(s) and other forms necessary for determining student aid eligibility should be listed in this section. Any form deadlines and specific routing procedures within the institution and aid office should also be included here. Information regarding pre-award appeals should be given, as well.

Section 6: File Review: Once financial aid applications and forms are received, aid office personnel must review them. The institution's verification policies and procedures are delineated here. Also, an explanation of why and how aid office personnel collect and review other nonfederal verification items such as database matches, reject codes, "C" codes, or other institution-specific need analysis data elements is included.

Section 7: Student Budgets: Budgets and costs of attendance for the various student populations are included in this section, along with explanations as to how these budgets are derived and updated. Guidance regarding additional costs and appeals for budget adjustments are also included.

Section 8: Awarding & Packaging Financial Aid: A school may have a variety of student populations, such as freshmen, continuing undergraduate, graduate, transfer, and summer school students, for whom it provides student financial aid. This section gives the school's general packaging philosophies, along with student-population-specific packaging criteria. Details about original and revised financial aid award letters or package notifications are also given. And, as enrollment changes and student appeals may affect the amount of aid awarded a student, enrollment verifications and student appeal policies and procedures are outlined here.

Section 9: Professional Judgment: If an institution's financial aid administrators exercise professional judgment in the administration of student financial aid, information about who may exercise such discretion, circumstances by which this discretion is allowed, student appeal procedures, and documentation requirements are included in this section.

Section 10: Disbursements: This section details the financial aid office's role in the disbursement of financial aid funds, as well as other cash management responsibilities. It may also cross-reference the policies and procedures of other offices in this and other sections where responsibility for compliance may be shared or may be completely the purview of other offices.

Section 11: Satisfactory Academic Progress: An institution's satisfactory academic progress assessments, measurement time frames, and procedures are delineated here. Also, the treatment of such courses as remedial, English as a Second Language, transfer, consortium, second degree, incomplete, withdrawn, and repeated courses are specified as they relate to a student's Title IV satisfactory academic progress.

Section 12: Return of Title IV Funds: The federal return of Title IV funds policies are listed here along with the procedures invoked while performing the return of funds calculation.

Section 13: Institutional Refunds: Any institutional refund policies and procedures are outlined here. If the institution's refund policies result in the return of state or institutional funds, this is also indicated.

Section 14: Fraud: This section includes an explanation of the difference between academic and financial aid fraud and gives examples to illustrate that difference. The individual who has authority for fraud referral is identified here, as well as the procedures for doing so.

Section 15: Audits: Institutional and federal compliance audits, as well as financial audit requirements are provided in this section.

Section 16: Reserved for Institution-Specific Policies & Procedures: This section is reserved for any institution-specific area of policies and procedures not covered in previous sections.

Section 17: Appendices: This section contains forms, correspondence, resource documents, reference documents, and other items that the financial aid office deems appropriate.

Numbering Structure

The numbering structure for the *NASFAA Policies & Procedures Manual Template* is similar to NASFAA's *Encyclopedia of Student Financial Aid*. The section number appears before the section title. In the case of 6.1.2, for example, the manual section is 6; the subsection is .1; and the next level subsection is .2. This numbering structure leaves room for expansion into other subsections as necessary.

For example, the *File Review* section includes several **subsections**:

- ◆ 6.1 Verification
- ◆ 6.2 Database Matches, Reject Codes, & “C” Codes Clearance
- ◆ 6.3 Review of Subsequent ISIR Transactions & Postscreening
- ◆ 6.4 Additional Institution-Specific Data Elements

Some of these subsections are further divided into more detailed subsections. For example, *6.1: Verification* has subsections in order to emphasize important concepts such as:

- ◆ 6.1.1 Selection of Applicants to be Verified
- ◆ 6.1.2 Acceptable Documentation & Forms
- ◆ 6.1.3 Data Elements to be Verified
- ◆ 6.1.4 Conflicting & Inaccurate Information
- ◆ 6.1.5 Student Notification of Verification Changes

This structure of increasingly specialized subsections allows you to break down complex processes into manageable components. The contents of most sections and subsections are divided between ***policies*** and ***procedures***.

Template Icons

P&P Toolbox



To assist schools in the formulation, implementation, evaluation, and revision of policies and procedures, as well as creating and updating the NASFAA Policies and Procedures Manual Template, NASFAA has developed the **P&P Toolbox**. The P&P Toolbox includes several implements, such as flowcharts, a decision table, style and formatting tips, and a Regulatory Resources Guide.

Good Practices Icon



The template contains some **good practice** recommendations to assist you in developing your policies and procedures manual. These recommendations appear in the text of the template and are noted with a red ribbon icon.

What's New?



The template has been updated to include **new information and section improvements** since it was first developed in the Fall of 2001. In addition to regulatory and policy guidance changes since that time, NASFAA has conducted training on several topics, such as verification, outside resources, Federal Work-Study, and cash management. While not highlighting all changes (such as style and format), this icon will appear when major changes have been incorporated.

Resource Documents

The right-hand column of the template contains statutory and regulatory **citations**, as well as other resource **documents** to assist you in creating and maintaining your manual.

Web Resources Icon



The template also contains a **Web resources** icon. This icon appears in the *resources* column of the template to indicate resources available to the financial aid administrator on the Internet that may be used when creating, maintaining, and implementing policies and procedures. It highlights such resources as NASFAA training materials and financial aid management tools, as well as Department of Education publications and Web sites.

Tips on Getting Started

◆ Don't start from scratch

Even if you don't have an old manual from which to work, you have endless resources available to you to help you get started. Gather everything in your office that is related to a policy and procedure, such as memos, cheat sheets, emails to staff, your school catalog, forms, correspondence sent from your office, etc.

Your colleagues at other institutions who have been through this process can often offer invaluable advice as you make decisions about the format, style, and work schedule. There's no need to completely reinvent the wheel!

◆ Plan, plan, plan

A development and implementation plan will act as a work schedule as you develop your manual. Because this project does not have its own natural deadline like awarding or loan processing, it is tempting to move your policies and procedures manual to the back burner. A development and implementation plan can help prevent giving in to this temptation.

◆ Start small and easy

At the beginning of the process of building your manual, it's best if you start with short and straightforward policies and procedures to help build your comfort level and your confidence. Start with fax handling procedures, and leave return of Title IV funds for later!

Although you are not likely to have the luxury of large chunks of uninterrupted time to work on your manual, you can still get it done by working on it "little and often." Completing small, manageable steps is one of the keys to success.

◆ Make style and format decisions upfront

You can save yourself a lot of editing work if you make style and format decisions before writing begins. Once the decisions are made, create a style guide and distribute it to everyone who will be writing any parts of the manual.

How Do I Insert Data?

“[Click Here to Insert...]” Field

The template has been created with a “Click here to insert...” field function. These are highlighted in green for ease of reference. Simply click on these fields and start typing to insert data. Or, if you already have your policies and procedures in an electronic format, you may simply copy and paste other documents into these fields of the NASFAA template.

The “Click here to insert...” fields may be duplicated based on the needs of your aid office. To duplicate a field, just copy and paste it where you need it.

Template Footer

Your template contains two footers – one for odd numbered pages and one for even numbered pages. Each footer contains the NASFAA copyright, page number, and a field for your institution’s information.

Delete the NASFAA copyright from the ***working copy*** of your policies and procedures manual. Make sure you delete it from both the odd and even page number footers. Do not delete the copyright from the ***original copy*** on the template diskette.

“[Last Updated:]” Field

There is a “Last updated:” field located at the end of each section, subsection, and/or component. This field is used to note the date that each element was updated. To insert a date, simply click on the field and type the desired date.

Using & Updating Word Tables

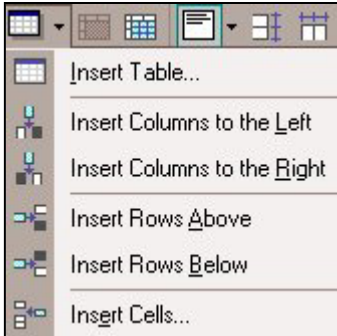
Knowing how to maneuver and make changes in Microsoft Word tables is key to using the NASFAA templates. Please consult Microsoft Word documentation for guidance in addition to that provided below.

Cell Formatting

Word tables consist of a number of **cells** into which you insert data. The NASFAA template table has been designed using one paragraph per cell with a single cell **row** between each paragraph to make it easier to read. There are two **columns**; one for your policies and procedures text and one for resources available to assist you in constructing and/or updating your manual. Confining your text to one paragraph per row ensures that the appropriate reference will always travel with its text if you add or delete information.

Adding Rows

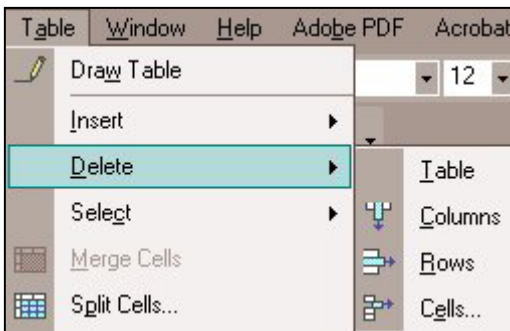
Follow these steps to add rows:



1. Place your cursor in the row **BELOW** where you want to insert a new row.
2. Click on *Table* from the menu bar and then click *Insert Rows*. Or, click on the *Insert Rows* button from the *Tables and Borders Toolbar* menu.
3. Repeat these steps to insert as many rows as you would like.
4. Change the height or width of your row by clicking on *Table* from the menu bar, selecting *Table Properties*, and changing the cell size.

Deleting Rows

To delete a row, follow these steps:



1. Highlight the row you want to delete.
2. Click on *Table* from the menu bar and then click *Select Row*.
3. Click on *Table* from the menu bar and then click *Delete Rows*.
4. Or, instead of 1-3 above, place your cursor anywhere in a row and click *Delete Rows* button on the toolbar.
5. Repeat these steps to delete as many rows as you would like.

Copying & Pasting

As you create or update your policies and procedures manual using the NASFAA templates, you may find yourself copying text and other materials from other sources. While you're probably familiar with these functions, there is a catch to copying and pasting in tables. If you're not careful, you can copy over text in a cell without even knowing it.

Deleting Text Entirely

To paste new text into a cell while deleting the old text entirely, follow these steps:

1. Highlight the entire cell.
2. *Paste* text into that cell.

Adding New Text to Existing Text

In order to add new text to an existing cell without deleting old text from that same cell, do not highlight the existing text. Simply follow these steps to avoid losing valuable information by accident:

1. Place your cursor where you wish to insert the additional text (without highlighting the entire cell).
2. Click *Paste* to insert your new text.

Adding a New Paragraph

If you want to add a whole new paragraph, follow these steps:

1. Insert new rows (see above).
2. *Paste* your new text into the new row.

Don't Like Tables?

If you don't like tables, you can convert the entire table to straight text and make your manual updates in straight-text format. Convert a table to text as follows:

1. Highlight the entire table.
2. Click on *Table*.
3. Click on *Convert Table to Text*.
4. Click on *Paragraph Marks*.
5. Click *Ok*.

Be sure to refer to Microsoft Word documentation available at your local or campus bookstore for additional guidance on using Word and Word tables.

Copyright Notice

All of the materials included in the NASFAA P&P Toolbox are copyrighted. You may not reproduce any of it for use outside of your office without explicit permission from NASFAA.

Feedback Form

Please complete an on-line feedback form. Your feedback is critical to the success of our training efforts! Thank you!

Corrections

NASFAA will post any necessary updates or clarifications to these materials on its Web site and will announce them in *Today's News*. Law and regulations are subject to change, as are policy interpretations and guidance from the Department of Education. These materials are valid through the publication date and are periodically updated to include statute and regulatory changes. Members are encouraged to subscribe to *Today's News* for daily notices and to periodically check our Web site (www.nasfaa.org) for updates.

You're Ready to Go!

Now that you know the basics, you are now ready to use the ***NASFAA Policies & Procedures Manual Template***. Good Luck!