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**FINANCIAL AID REVIEW PROGRAM
COMPLETES THIRD SUCCESSFUL YEAR**

*“...our financial aid office is now providing
better services to our students.”*

Trends and best practices uncovered.

Washington, D.C. (October 2001) – Financial aid administrators at colleges, universities and career schools nationwide have embraced a voluntary review program that assists them in assessing and improving the effectiveness of their financial aid programs. Since 1999, 23 schools have participated in NASFAA’s Standards of Excellence Review Program – a peer review program developed by the National Association of Student Financial Aid Administrators (NASFAA) to promote the highest standards in the administration of financial aid.

“In the financial aid world, we are so busy ‘doing’ that we do not take the time to step back and really think about the ‘how’ and ‘why,’” says Cliff Neel, Assistant Vice President and Director of Student Financial Aid at Baylor University in Waco, Texas. “NASFAA’s Standards of Excellence Review Program helps financial aid professionals expand their view of processes and procedures. ‘That’s the way we have always done it’ or ‘other schools do it that way’ are statements that can lead a financial aid office out of compliance with federal regulations. After the review team’s exit interview, our vice president stated that he wished that all his divisions had such a tool.”

Financial aid administrators play a significant role in a student’s ability to continue their education beyond high school. Yet, the financial aid office can lack adequate resources, including staffing and technology, which can obstruct the effective delivery of financial aid. Frank Chong, dean of student services at City College of San Francisco said, “The Standards of Excellence Review team did an amazing job diagnosing our weaknesses and providing positive recommendations for improvement. The end result is that our financial aid office is now providing better services to our students.”

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“Opening Doors of Educational Opportunity”

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To ensure the effective administration of financial aid, NASFAA believes every financial aid office should undergo a Standards of Excellence Review. NASFAA president Dallas Martin explains, “Participation in NASFAA’s Standards of Excellence Review program demonstrates an institution-wide commitment to excellence and a focus on high-quality service to students. All our institutional members seek to achieve the highest standards possible, and this program can help them reach that goal.”

Trends and Best Practices Uncovered

While the results of institutional peer reviews are confidential, several trends have taken shape:

- *Institutional Strengths:* Many institutions have implemented student-centered practices that speed delivery of financial assistance or safeguard students’ confidentiality. For example, most institutional web sites contain up-to-date information about applying for and receiving financial aid, and many make available for download commonly requested forms and application documents. Most institutions allow students to register via the Internet or by telephone; some disburse financial aid funds electronically and deposit them directly into student bank accounts.
- *Common Recommendations:* Financial aid administrators need to review their processes to eliminate waste, outdated practices, and operational loopholes. Also, institutions need to adequately staff the financial aid office, especially in the area of dedicated computer support personnel.
- *Compliance Issues:* Institutions frequently fail to develop written policies and procedures and update them regularly. This time-consuming task is often relegated to the bottom of most to-do lists; however, reviewers often noted that inadequate policies and procedures led to diminished service and, on occasion, non-compliance with federal guidelines. Also of note were the instances of insufficient documentation to support the decisions, conversations, and actions taken on behalf of students. Despite concerted efforts to fully comply with all Title IV regulations, inadequate documentation caused a number of well-intentioned institutions to be unable to provide evidence of complying with federal guidelines.

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History of the Standards of Excellence Review Program

The Standards of Excellence Review Program grew out of recommendations from the NASFAA Task Force on Institutional Leadership co-chaired by John T. Casteen III, president of the University of Virginia, and Rhonda D. Norsetter, special assistant to the chancellor at the University of Wisconsin-Madison. In its report, the task force noted that “student financial aid is a matter of urgent concern to institutions, policy makers, and to the nation,” and that “colleges and universities face serious challenges in this area.”

In a letter to college presidents about the review program, Dr. Casteen warned that “poorly managed financial aid programs can hamper enrollment efforts, cause rifts among campus offices, expose the institution to significant financial liability, and sabotage efforts to serve student and their families.” But, he continues, “Financial aid programs that are integrated into institutional planning and soundly managed can help advance institutional goals.”

How Does the Standards of Excellence Review Program Work?

- The scope of the review is established in a letter of engagement between the institution and NASFAA.
- The institution submits demographic data and other information to NASFAA and a preliminary institutional assessment is conducted.
- NASFAA then selects a customized peer review team comprised of experienced financial aid administrators who visit the institution and perform an in-depth, on-site review of the financial aid operations. The review team spends two days to one week on the campus.
- Following the on-site review, the team compiles an objective evaluation of the institution’s financial aid program and presents its findings in an exit interview to administrators designated by the institution.
- Finally, the peer review team prepares and submits a confidential written report that identifies the institution’s good financial aid practices, cites any compliance issues, and suggests improvements.

For more information, contact the program coordinator at 202-785-0453, Ext. 147 or excellence@nasfaa.org. Additional information is also available at www.nasfaa.org/soe.asp.

Copies of *A Report to the Leadership of America’s Colleges and Universities: Meeting the Challenges of Financial Aid* are available from NASFAA’s Publication Desk, 202-785-0453 Ext. 5 or pubs@nasfaa.org.

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The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 10,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. Each year, members help more than 8 million students receive funding for postsecondary education.