Lesson 1: Introduction to Administrative Capability

Introduction to Administrative Capability

Administrative capability is at the heart of the Title IV regulations, encompassing many of the measures of an institution’s Title IV eligibility. Demonstrating administrative capability to participate in the Title IV programs involves virtually every office within an institution, making compliance a campus-wide commitment and responsibility.

All the Title IV expertise in the world will not achieve administrative capability if it resides in the financial aid office alone. An institution’s administration must be aware of requirements that cut across offices, and must facilitate interoffice cooperation. Other offices that perform functions affected by administrative capability rules must understand the ramifications of noncompliance and the benefits of willing assistance in satisfying federal regulations.

The regulations that measure an institution’s administrative capability are located in 668.16. A copy is on page 6. The measures will be reviewed here and discussed in depth in Lessons 2 through 4.

Administrative Capability

Let’s begin with a definition of what it is to be administratively capable.

Definition

Before a school may participate in any Title IV program, it must demonstrate to the U.S. Department of Education (ED) that the school is able to properly manage the Title IV aid programs and meet its obligation to educate and prepare students. Section 668.16(a) of the General Provisions regulations states that a school demonstrates administrative capability if the school “administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA;…”

Measures of Administrative Capability

A school is considered to have administrative capability if the school:

- Designates a capable individual to be responsible for administering all the Title IV aid programs in which it