

Overview

There are a number of requirements contained within the Code of Federal Regulations (CFR) pertaining to financial aid record retention. FERPA proper only requires that one keep a record of all disclosures of education records and that one retain any records that are subject to a pending disclosure request. The General Education Provisions Act, as amended by the Improving America's Schools Act of 1994, requires education records to be retained for at least three years. In most cases this means that records must be kept at least three years from the end of the award year. For some records, a different reference date is used. For example, records concerning education loans must in most cases be kept for at least three years from the end of the award year in which the student last attended. The College will adhere fully to these regulations, which are outlined within this policy.

I. Record Retention - Generally

Pursuant to 34 CFR § 668.24, the College is required to establish and maintain, on a current basis, various types of financial aid documentation submitted by a student.

a. Program Funds and Program Records. The College is required to maintain and establish, on a current basis, any application for Title IV, Higher Education Act (HEA) program funds and program records that document the following:

- Its eligibility to participate in the Title IV, HEA programs;
- The eligibility of its educational programs for Title IV, HEA program funds;
- Its administration of the Title IV, HEA programs in accordance with all applicable requirements;
- Its financial responsibility;
- Information included in any application for Title IV, HEA program funds; and
- Its disbursement and delivery of Title IV, HEA program funds.

b. Fiscal Records. In addition to program funds and program records, the College must account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. This means that the College must establish and maintain on a current basis:

- Financial records that reflect each HEA, Title IV program transaction; and
- General ledger control accounts and related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity.

II. Required Records

The records that an institution must maintain in order to comply with the provisions of this section include, but are not limited to, the following:

a. SAR or ISIR. The College must maintain the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) used determine eligibility for Title IV, HEA program funds.

b. Application Data. Additionally, the College must maintain application data submitted to the Secretary of Education, lender, or guaranty agency by the College on behalf of the student or parent.

c. Eligibility Data. Next, the College must maintain documentation of each student's or parent borrower's eligibility for Title IV, HEA program funds.

d. Information Regarding Receipt of Funds. Further, the College must maintain documentation relating to each student's or parent borrower's receipt of Title IV, HEA program funds, including, but not limited to, documentation of:

- The amount of the grant, loan, or Federal Work Study (FWS) award; its payment period; its loan period, if appropriate; and the calculations used to determine the amount of the grant, loan, or FWS award;
- The date and amount of each disbursement or delivery of grant or loan funds, and the date and amount of each payment of FWS wages;
- The amount, date, and basis of the College's calculation of any refunds or overpayments due to or on behalf of the student, or the treatment of Title IV, HEA program funds when a student withdraws; and
- The payment of any overpayment or the return of any Title IV, HEA program funds to the Title IV, HEA program fund, a lender, or the Secretary of Education, as appropriate.

e. Counseling Sessions. The College must also retain documentation of and information collected at any initial or exit loan counseling required by applicable program regulations.

f. Reports and Forms. The College must additionally retain all reports and forms used by the College in its participation in a Title IV, HEA program, and any records needed to verify data that appear in those reports and forms.

g. Graduation Rates Data. Finally, the College must retain documentation supporting the College's calculations of its completion or graduation rates, as required by 34 CFR §§ 668.46 and 668.49.

III. Methods for Record Retention

Pursuant to 34 CFR § 668.24(d), the College is required to maintain records in a "systematically organized manner." Generally, this means the following:

a. Readily Available. First, the College must make its records readily available for review by the Secretary of Education or the Secretary's authorized representative at a College location designated by the Secretary or the Secretary's authorized representative.

b. Format. The College may keep required records in hard copy or in microform, computer file, optical disk, CD-ROM, or other media formats, provided that:

- Except for the SAR or ISIR, all record information must be retrievable in a coherent hard copy format or in other media formats acceptable to the Secretary;
- The College is permitted to retain the SAR or ISIR used to determine eligibility for Title IV, HEA program funds in the format in which it was received by the College, except that the SAR may be maintained in an imaged media format;
- Any imaged media format used to maintain required records must be capable of reproducing an accurate, legible, and complete copy of the original document, and, when printed, this copy must be approximately the same size as the original document;

- Any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of its information must be maintained in its original hard copy or in an imaged media format; and

IV. Record Retention Timeframes

The following record retention timelines apply to the College:

a. FWS, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Pell Grant, Academic Competitiveness Grant (ACG), National SMART Grant, or Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. The College is required to keep records relating to its administration of FWS, FSEOG, Federal Pell Grant, ACG, National SMART Grant, or TEACH Grant Program for three (3) years after the end of the award year for which the aid was awarded and disbursed under the programs, provided that the College keep:

- The Fiscal Operations Report and Application to Participate in the FSEOG, and FWS Programs (FISAP), and any records necessary to support the data contained in the FISAP, including “income grid information,” for three (3) years after the end of the award year in which the FISAP is submitted; and

b. Federal Family Education Loan (FFEL) or Direct Loan Program. The College must keep records relating to a student or parent borrower’s eligibility and participation in the FFEL or Direct Loan Program for three (3) years after the end of the award year in which the student last attended the College.

c. Loan, Claim or Expenditure. The College shall keep all records involved in any loan, claim, or expenditure questioned by a Title IV, HEA program audit, program review, investigation, or other review until the later of:

- The resolution of that questioned loan, claim, or expenditure; or
- The end of the retention period applicable to the record.

V. Examination of Records

The College will cooperate with any independent auditor, the Secretary, the Department of Education’s Inspector General, the Comptroller General of the United States, or their authorized representatives, a guaranty agency, and the College’s accrediting agency, in the conduct of audits, investigations, program reviews, or other reviews authorized by law.

a. Cooperation Requirements. The College must cooperate with the named entities by:

- Providing timely access, for examination and copying, to requested records, including, but not limited to, computerized records and records reflecting transactions with any financial institution with which the College deposits or has deposited any Title IV, HEA program funds, and to any pertinent books, documents, papers, or computer programs; and
- Providing reasonable access to personnel associated with the College’s administration of the Title IV, HEA programs for the purpose of obtaining relevant information.

b. Failure to Cooperate. The Secretary of Education will consider that the College has failed to provide reasonable access to personnel as required if the College:

- Refuses to allow those personnel to supply all relevant information;
- Permits interviews with those personnel only if the College’s management is present; or

- Permits interviews with those personnel only if the interviews are tape recorded by the College.

c. Recipient Information. Upon request of the Secretary of Education, or a lender or guaranty agency in the case of a borrower under the FFEL Program, the College shall promptly provide the requester with any information the College has respecting the last known address, full name, telephone number, enrollment information, employer, and employer address of a recipient of Title IV funds who attends or attended the College.

VI. Additional Retention Requirements for the FWS Program

In addition to the requirements outlined above, the College is required to follow procedures established in 34 CFR § 675.19 for the documentation of work, earnings and payroll transactions for the FWS Program.

a. FWS Program Records. In addition to the retention requirements outlined above, the College must also establish and maintain program and fiscal records that:

- Include a certification by the student's supervisor, an official of the College or off-campus agency that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day;
- Include a payroll voucher containing sufficient information to support all payroll disbursements;
- Include a noncash contribution record to document any payment of the College's share of the student's earnings in the form of services and equipment; and
- Are reconciled at least monthly.

b. Fiscal Operations Report. Each year, the College must submit a Fiscal Operations Report, plus any other information the Secretary of Education requires. The College shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary of Education.