GENERAL

The purpose of this administrative practice letter is to provide accounting procedures applicable to the Federal financial aid funds received by the University and identify the roles each campus will take with respect to multi-campus enrollments.

The specific programs these procedures apply to are:

1. Pell Grants
2. Supplemental Educational Opportunity Grants (SEOG)
3. Perkins Student Loans (formally National Direct Student Loans)
4. Nursing Student Loans
5. College Work-Study Funds (CWS)
6. Academic Competitiveness Grant (ACG)
7. SMART Grants

These procedures will help accomplish the following:

2. Facilitate the preparation of Federal reports.
3. Provide consistency in the use of project and account codes throughout the University System.
4. Allow for automatic calculation and accounting for administrative expenses and matching funds.
5. Enable account managers to maintain better control over revenue and expenditures.
6. Expedite the receipt of cash from Federal Agencies.
In addition to these procedures the campuses are responsible for maintaining their own Student Aid Policy and Procedures Manuals which should encompass such topics as goals of student aid, types of aid, student budget construction, packaging of aid, maintenance of the aid file, etc.

SETTING UP ACCOUNTS

New projects will be set up annually for Pell, SEOG, ACG, SMART, and CWS awards. The SWS Accounting Office will advise the campuses annually (normally in March) of the new project numbers for the upcoming fiscal year. The campuses will complete a Project Create Form for the programs concerned and submit them to SWS Accounting Office for processing. The budgeting process will be done at the campus level.

ADMINISTRATIVE EXPENSE

Institutions participating in SEOG, CWS, and Perkins Student Loans are entitled to an administrative cost allowance. The administrative expense will be calculated and charged to the respective program account automatically each month through the allocation process based on the total expenditures for the month by program. Recalculations are done in January and June to adjust for campuses that have reached certain thresholds. Requests for reallocation of administrative expense between these programs will be submitted to SWS Accounting Office for processing.

Pell Grant program also allows for an administrative cost which is calculated by the Federal Government. Receipt of reimbursement checks for administrative expenses should be deposited into the campuses Indirect Cost Recovery account.

TRANSFERS, CARRY FORWARD AND CARRY BACK OF FUNDS

The Department of Education permits the transfer of up to 10% of the CWS program allocation to the SEOG program or in the reverse, 10% of the SEOG program allocation can be transferred to the CWS program. It is also permissible to Carry Forward or in the reverse Carry Back up to 10% of the CWS allocation. The purpose of these provisions is to assist institutions in budgeting their CWS expenditures and to protect them from incurring a deficit at the close of the award year.

CAMPUS CONSORTIUM AGREEMENT

From time to time, students admitted at one campus within the University of Maine System may wish to take courses offered at another UMS campus to meet one or more degree requirements. A written Consortium Agreement identifies the roles each campus will take to ensure federal financial aid regulations are met. This agreement covers all campuses within the University of Maine System and those students who wish to take classes at one of the seven UMS campuses. The scope of
this agreement identifies the roles of the student’s “home” campus and the ‘host” campus. The “home” campus is defined as the campus that will grant the degree or certification and awards federal financial aid. The “home” campus will be responsible for calculating awards, disbursing aid, monitoring satisfactory academic progress and other eligibility requirements, keeping records, and returning funds in the event the student withdraws. The “host” campus is the campus where the student wishes to take classes and requests the “home” campus to transfer federal financial aid funds to cover the cost of the “away” credits.

The responsibilities of the home campus:

- Ensure all away courses are required for the student’s current degree seeking program.
- Ensure that at the time of disbursement the student is registered for the correct credit hours and monitors the enrollment status of the student at each school.
- Ensure that reporting to the Clearinghouse and National Student Loan Data System (NSLDS) includes the student’s total number of credit hours that federal funds covered.
- Ensure that the student's financial aid budget reflects applicable tuition, fees, and room and board costs at each school.
- Ensure that all credits taken away are counted towards Satisfactory Academic Progress.

The responsibilities of the host campus:

- Notification to home campus if student withdraws.
- Ensure that no refund is issued to a student who drops and the return of funds is negotiated with the home campus in cases where the home campus issued those funds to the host campus.
- Ensure that all aid provided to the student disburses through the home campus.

This Administrative Practice Letter has been approved by the Treasurer of the University of Maine System.