



Executive Memorandum 24-011

February 22, 2024

From: Stephen Perez, President

A handwritten signature in purple ink, appearing to read "Stephen Perez", written over a horizontal line.

Subject: Policy on Financial Aid Compliance Advisory Committee

Upon the recommendation of the Academic Senate and with the concurrence of the Provost, I approve the Policy on the Financial Aid Compliance Advisory Committee.

Policy Title:	EM 24-011 Policy on Financial Aid Compliance Advisory Committee
Contact:	
Supersedes:	
Revision:	
Enabling Legislation or Executive Order:	

Purpose of the Policy

California State University, Chico is privileged to be an approved participant in numerous federal, state, and institutional financial aid programs. The availability of these financial aid programs is essential to the success of our students. In signing the binding Institutional Participation Agreement with the United States Department of Education and the California Student Aid Commission, the University President, and Director of Financial Aid & Scholarship Office provide access to and participate in these financial aid programs and agree to comply with an array of federal and state laws and regulations. The state compliance requirements generally fall under the California Education Code. The federal requirements fall under HEA Sec. 485(f); 20 USC 1092 and Code of Federal Regulations: 34 CFR 668.16, 34 CFR 668.41-49, and 34 CFR 668.44.

Generally, financial aid compliance responsibility falls on the Financial Aid & Scholarship Office, but the reality is there are numerous campus departments, in different divisions, responsible for work tied to financial aid compliance requirements. This is especially true for consumer information disclosure requirements tied to the University's financial aid programs but may also involve other aspects of financial aid administration. Non-compliance risks reputational damage, financial penalties, and more seriously, the loss of access to these financial aid programs. Approximately 80 percent of Chico State's students receive some form of financial aid. It is crucial that the University establishes an effective cross-divisional team to oversee

relevant compliance matters to ensure our students continue to have access to these important programs. This policy authorizes the formation of the Financial Aid Advisory Committee (FAAC) to ensure the University complies with its financial aid related consumer information disclosure requirements as well as other compliance responsibilities that fall outside the responsibility of the Financial Aid & Scholarship Office.

Scope

The Financial Aid Advisory Committee is charged with the following functions:

1. Assist the University to meet all responsibilities related to consumer information compliance with applicable federal, state, and institutional laws, regulations, and policies related to the administration of financial aid programs. This responsibility is generally related to consumer disclosure requirements but may include other aspects of financial aid administration that fall outside the responsibility of the Financial Aid & Scholarship Office.
2. Develop guidelines to help the University monitor, review, evaluate, assess, train staff, and maintain compliance with applicable financial aid program regulations.
3. Assist the University in timely resolution of non-compliance issues.
4. Provide guidance and input to develop and create a dedicated campus website for all required financial aid-related consumer information and disclosure requirements. Review that web content is accurate.
5. Review all Financial Aid federal, state, and institutional compliance requirements and evaluate Chico State's degree of compliance.
6. Communicate compliance requirements, non-compliance situations and resolution options and responsibilities to relevant campus partners and departments. Provide a yearly progress report to the Office of the President.

In order to perform this complex work more effectively, the Financial Aid Advisory Committee chair shall provide relevant and timely compliance information, and the committee will generally engage the campus community in the following ways:

- Review and discuss compliance information to ensure all committee members have full understanding,
- Communicate with applicable campus partners to make sure they are aware their work is tied to the University's financial aid compliance requirements,
- Provide campus partners with full financial aid compliance information and deadlines related to their work,
- Review and evaluate existing campus wide compliance work,
- Provide feedback information to relevant campus partners and departments,
- Engage with campus partners to make sure all compliance work is satisfactory.

Membership

Ex Officio Members

One representative from each:

- Financial Aid & Scholarship Office (FASO)

- Student Financial Services
- Office of the Registrar
- Office of Admissions
- Clery Director Human Resources Services Center
- Office of Institutional Research and Strategic Analysis
- Chico State Athletics
- University Housing and Food Service
- Office of the President
- Division of Student Affairs
- Division of Information Technology

Appointed Members

- Two faculty, appointed by the Executive Committee of Academic Senate, 3-year terms, staggered. Two student representatives, appointed by the Associated Students, 1-year term, renewable.
- One staff representative, appointed by the Staff Council, 1-year term, renewable.

Chair

The Director of Financial Aid & Scholarship Office or a designee will serve as chair of the committee. A designee must be a Financial Aid & Scholarship Office manager, or a Financial Aid & Scholarship Office staff member responsible for financial aid compliance work and who has relevant financial aid regulations knowledge and experience. The Financial Aid Advisory Committee will develop its own operating procedures. All compliance information will be provided by the chair. The agenda will be set by the chair.

Appointments

Appointments will be made by the end of the spring semester so that committee members will be ready to serve at the beginning of the first fall semester of their term of appointment.

Meetings

The Financial Aid Advisory Committee will meet at least once a semester and more frequently when necessary to respond to pressing compliance matters. The chair will convene the first meeting sometime after the 4th week of the semester.

Reporting Structure and Requirements

The Financial Aid Advisory committee will report directly to the Chico State President. The President is a signatory to the financial aid Institutional Participation Agreements, so it is prudent

for the Office of the President to be aware of the nature of campus-wide compliance and the level of risk to its financial aid programs. The Financial Aid Advisory Committee will provide a yearly report to satisfy this responsibility.