



U.S. Direct Loan Quality Assurance Policy and Procedures

Summary

Following published guidance by the US Department of Education, The Liverpool Institute for Performing Arts (LIPA) has implemented a quality assurance system for U.S. Direct Loans as described in this document.

Procedures and policies relating to Title IV funding are designed with the following US Government quality assurance principles in mind.

Direct Loan Quality Assurance Requirement Overview

The Direct Loan Program regulations at 34 CFR 685.300(b) (9) require schools to implement and document a quality assurance process to ensure that they are complying with program requirement and meeting program objectives. A university should have a quality assurance process in place that documents that the school is:

Reporting loan records, disbursements and adjustments to disbursements correctly to the Common Origination and Disbursement (COD) System.

Disbursing and returning loan funds in accordance with regulatory requirements.

Disbursing the correct loan amount to the correct student.

Completing monthly reconciliation and Program Year Closeout.

To be effective, the steps for implementing a Direct Loan quality assurance process will be unique to each university and need to consider the characteristics of a university's academic policies and programmes and its borrower population. Universities are encouraged to use self-assessments to examine their procedures and act on an ongoing basis to strengthen areas of risk.

Options for Meeting the Direct Loan Quality Assurance Requirement

The Department of Education (the Department) does not mandate the method by which universities meet the quality assurance requirement. Universities may have institutional-designed assessments and quality assurance processing place to ensure that the Direct Loan quality assurance requirement is met.

Reporting Loan Records, Disbursements and Adjustments to Disbursements Correctly in The COD System.

Description of Process.

LIPA utilises student records systems and student borrowing requests to record and originate all Federal Direct Loans. A disbursement roster is produced prior to each disbursement and is shared across both the International and Finance Teams. The enrolment and satisfactory academic progress of students on the list is verified by colleagues in Registry. Once the

International Officer or International Manager has released funds in COD, the Finance Officer draws down the funds from the US Department of Education's G5 system and the Finance Team posts the credits to the student accounts within 3 days to meet Federal requirements. Any remaining funds, once outstanding tuition balances have been settled, are passed to the student and/or their parent within 14 days.

Measurable Assessment

Ensuring all loan records are maintained within LIPA systems until the end of year audit and subsequent US Federal Financial Aid Audit.

Monitoring student enrolment, engagement, Satisfactory Academic Progress, eligibility alerts and responding appropriately to any changes in student status.

Responding in a timely manner to COD School Monitoring Reports and COD 30 day Warning Reports.

Comparing the COD pending disbursement reports and Actual Disbursement Reports with student records for reconciliation and to ensure the student has received funding as per requested amounts.

Disbursing and returning loan funding accordance with regulatory requirements.

Description of Process

Before any loan is initiated, LIPA International Team require:

an Institutional Student Information Report (ISIR) obtained via EdConnect;

formal confirmation of the loan request from the student and/or student's parent;

Completed Entrance Counselling and a signed Master Promissory note covering each loan.

Any relevant comment codes on the ISIR must be resolved. The International Team verifies the aggregate loan limit in National Student Loan Database Systems (NSLDS) for each student. If any of these items are not received or if any items are flagged by either LIPA checks or by COD, we do not initiate loans or disburse funds to the student.

Prior to each loan disbursement the International Team confirms with LIPA's Registry that Satisfactory Academic Progress (SAP) is being met by each student. Once confirmed, the International Team releases the disbursements via COD, and the Finance Team initiates the drawdown of funds in G5. Funds are received via a third party (Convera), and instructions are provided to them by the Finance Team detailing the value of credits to LIPA in respect of fees, and details relating to the refund of any excess payments to students and/or parents. We must process all funds fully within three working days, thereby meeting the Federal requirements.

Regular monthly reports from LIPA's student systems identify any changes in students' enrolment status, thus indicating any potential change in student eligibility to continue to receive FSA funds. The student may also report any such changes to the Institute.

Where a student withdraws or interrupts, the Finance Team undertakes a Return of Title IV Funds (R2T4) calculation to determine if funds need to be returned to G5 and notifies the student accordingly. Where necessary funds are returned within the required timeframe and loans are adjusted as required on COD.

Measurable Assessments

Ensuring all loan records maintain “Registered” status within our student system until the end of the year closeout and audit.

Monitoring the enrolment, SAP, and eligibility alerts within the University records and responding appropriately.

Responding in a timely manner to COD School Monitoring Reports and 30 Day Warning Reports.

Comparing the COD Pending Disbursement Reports and Actual Disbursement Reports with LIPA’s internal student records.

Disbursing the correct loan amount to the correct student

Description of Process

The International Team schedules disbursement dates for approved funds to draw down funds. To meet US Department of Education guidelines these must be set in accordance with the defined periods of teaching within a programme and may vary from programme to programme. Disbursement takes place at the start of each period of teaching.

Direct Loan funds are drawn down based upon the disbursement schedule and received via a third party (Convera). Instructions are provided by the University to Convera detailing the value of credits to the University in respect of fees, and details relating to the refund of any excess payments to students. Funds received by the University in respect of fees are immediately applied to student accounts once funds are received from Convera.

Measurable Assessment

Ensuring all loan records maintain “Registered” status within LIPA systems until the end of the year closeout.

Monitoring the enrolment, SAP, and eligibility alerts and responding appropriately.

Responding in a timely manner to COD School Monitoring Reports, COD 30 Day Warning Reports

Comparing the COD Pending Disbursement Reports and Actual Disbursement Reports.

Completing Monthly Reconciliation and Program Year Closeout

Description of Process

Annually, LIPA creates a spreadsheet that monitors and reconciles the disbursement of funds in COD, to the funds requested via G5, and the amounts received via Convera and how they are applied to students’ records or the refund of excess payments to students.

Measurable Assessment

Maintaining timely and accurate monthly reconciliation records.

Maintaining timely and accurate year-end closeout documentation.