

 <p><b>Category:</b> Administrative</p> <p><b>Policy applicable for:</b> Faculty/Staff</p>	<p><i>Policy Title:</i> <b>Federal Student Aid Code of Conduct</b></p> <p><b>Effective Date:</b> 01/14/2015</p> <p><b>Prior Effective Date:</b> 07/01/2009</p> <p><b>Enabling Acts:</b> 20 U.S.C. §1094(a)(25) from Title IV of the Higher Education Act</p>	<p><i>Policy Number:</i> <b>1.3.3</b></p> <p><b>Policy Owner:</b> Sr. VP for Academic Affairs and Provost Sr. VP for Administration and Finance</p> <p><b>Responsible Office(s):</b> Enrollment Management Office of the Bursar</p>
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## Background

The university administers this Federal Student Aid Code of Conduct (Code) in compliance with the university's Program Participation Agreement with the U.S. Department of Education and with Title IV of the Higher Education Act. The Code places restrictions and duties upon both the business practices of the university and the personal conduct of individuals. Primarily, the Code is administered by the Office of Enrollment Management.

### **Definitions:**

- Code – this Federal Student Aid Code of Conduct.
- Federal Student Aid or FSA – loans made, insured, or guaranteed under Title IV of the Higher Education Act.
- FSA employee – any university employee or agent who has responsibility with respect to student loans, including the President, the Sr. VP for Academic Affairs and Provost, the Sr. VP for Administration and Finance, and the Vice President for Finance. *FSA employee* also includes the following officials and any personnel who report to any such officials, directly or indirectly, who have responsibility with respect to student loans:
  - the Senior Associate Vice President for Enrollment Management;
  - the Treasurer;
  - the Assistant Dean for Student Financial Planning for the College of Medicine; and,
  - the Director and Assistant Dean for Admissions and Financial Aid for the College of Law.
- FSA lender – an entity that provides, issues, or guarantees Federal Student Aid.

## Policy

As a reminder, all university employees are required to comply with applicable conflict of interest reporting through the outside activity reporting system (OAR). The OAR is discussed further in the following university rules:

- Rule 10-17-03 Conduct and ethics: Code of Conduct.
- Rule 30-21-02 Employment: policy on collateral employment for faculty members and librarians.

- Rule 30-21-03 Employment: collateral employment policy for all employees (excluding faculty and librarians).

Further, each FSA employee must make reports through the OAR at least annually, whether the above rules require it or not. Managers of FSA employees must reasonably evaluate all possible conflicts reported and take action to appropriately manage or eliminate any actual conflicts identified, especially conflicts involving FSA lenders.

The Senior Associate Vice President for Enrollment Management shall ensure that this Code becomes and remains posted on the Web site of the Office of Enrollment Management; that a link to such posting is made from the university's main policies page; and, that this Code is distributed, at least annually, to the officials identified by title in the above definition of FSA employee. All such officials shall further distribute the Code to their direct and indirect reports who have responsibility with respect to student loans.

Each FSA employee shall comply with this Code, including the seven prohibitions enumerated below. Confirmed violations of this Code will result in appropriate disciplinary action up to and including termination from employment or other relationships with the university. In some circumstances, civil and criminal charges and penalties may apply.

### **1. Prohibition against revenue-sharing arrangements**

The university shall not make any contract with an FSA lender, under which:

- the FSA lender provides Federal Student Aid to university students; and,
- the university recommends the FSA lender or its loan products and, in exchange, the FSA lender pays a fee or other material benefits to the university, or an officer, employee, or agent of the university.

### **2. Prohibition against soliciting or accepting certain gifts**

FSA employees shall not solicit or accept any gift of more than nominal value from those who are doing business with, seeking to do business with, or are interested in matters before the university—especially from FSA lenders who provide or issue loans that are made, insured, or guaranteed as Federal Student Aid to university students. Because the term, “nominal,” can be susceptible of differing interpretations, FSA employees are strongly encouraged to simply refuse all gifts from FSA lenders. Gifts, so refused, can be returned along with an explanatory communication similar to the sample provided as *Attachment 1* to this Code. FSA employees are reminded that charitable donations to the university should be processed through the University of Cincinnati Foundation.

### **3. Prohibition against certain outside activity, contracting with FSA lenders**

FSA employees shall not conduct any outside activity to provide services to an FSA lender, or on behalf of an FSA lender, relating to education loans.

### **4. Prohibition against steering borrowers toward particular FSA lenders**

The university shall not

- for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular FSA lender; or
- refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular FSA lender or guaranty agency.

### **5. Prohibition relating to funds for private loans**

The university shall not make any contract with an FSA lender under which the FSA lender provides the university funds to be used for private education loans (as defined in 15 U.S.C. §1650) to university students, including funds for an opportunity pool loan; and, in exchange for which, the university provides concessions or promises regarding providing the FSA lender with

- a specified amount or volume of Federal Student Aid to university students; or,
- a preferred lender arrangement for Federal Student Aid with the university.

### **6. Prohibition against staffing assistance**

The university shall not request or accept from any FSA lender any assistance with call center staffing or financial aid office staffing; except, that the university may request or accept assistance from an FSA lender related to:

- professional development training for financial aid administrators;
- providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any FSA lender that assisted in preparing or providing such materials; or
- staffing services on a short-term, nonrecurring basis to assist the university with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the U.S. Secretary of Education.

## 7. Prohibition against advisory board compensation

An FSA employee may not serve on an advisory board, commission, or group established by an FSA lender, a guarantor, or group of lenders or guarantors, unless the FSA employee:

- reports and receives approval for such service through the OAR; and,
- receives a determination from his or her supervisor, or other appropriate university official, that the university will commit the necessary funds
  - to pay for travel and accommodations incident to serving on such advisory board, commission, or group; and
  - to reimburse the lender, guarantor, or group of lenders or guarantors for any meals provided in serving on such advisory board, commission, or group.

Any FSA employee who does serve on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall not receive anything of value from the lender, guarantor, or group of lenders or guarantors in exchange for such service.

Additional provisions of this policy:

- University staff members involved in student recruitment activities will be compensated on a salary basis and not based on quotas or per student basis.
- No University contracts can be awarded that pay per student fees based on enrollment of Title IV eligible students.

### Related links:

[University Rule 10-17-03 Conduct and ethics: Code of Conduct](#)

[University Rule 30-21-02 Employment: policy on collateral employment for faculty members and librarians](#)

[University Rule 30-21-03 Employment: collateral employment policy for all employees \(excluding faculty and librarians\)](#)

[Outside Activity Report](#)

[Anonymous Reporting Hotline: 1-800-889-1547 or](#)

[https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=22314](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=22314)

### Phone Contacts:

Office of Enrollment Management	556-3379
Office of Student Financial Aid	556-2420
Office of the Bursar	556-5055
Office of General Counsel	556-3483

### ***Attachment 1 – Returning Gifts***

Thank you for the\_\_\_\_\_. While I know this was certainly not your intent, Ohio law states that as a public official, I cannot accept anything of value, including a gift, meal, or entertainment, which might be interpreted as an attempt at influencing me in the performance of my university duties.

To ensure compliance with the law, it is the policy of this office not to accept gifts from anyone who has business with or an interest in matters before the university. Your understanding in honoring this policy is sincerely appreciated.

[Therefore, I am returning the gift with this letter.]

[Therefore, with your agreement, I will forward your gift to our local Freestore Foodbank. If the Freestore Foodbank is acceptable to you, please call or send an e-mail message to our office at\_\_\_\_\_.]

Again, thank you for your thoughtfulness and interest in the University of Cincinnati.