Handbook on Financial Aid for Study Abroad

by Laura Sutherland and John D. Wells
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Introduction

There has been rapid growth in the number of U.S. students studying abroad over the past ten years, and most professionals in the field expect the growth rate only to increase for the foreseeable future. One of the biggest hurdles to increasing enrollments, however, is the cost of education abroad. This publication provides an overview of the aid available for education abroad and how to establish procedures to package and distribute that aid. While most higher education institutions in the United States have procedures for packaging and distributing financial aid, unique regulatory and procedural challenges often present themselves with regard to education abroad.

The primary focus of this publication is federal sources of aid, with a particular emphasis on the programs included in Title IV of the Higher Education Act of 1965. However, the authors also acknowledge that outlining federal regulations is not enough. Knowing how to create a network of allies on campus who can help design an effective and efficient process for collecting data and distributing aid is just as important as knowing the federal regulations. At some institutions, developing allies to change policies that restrict the portability of federal or institutional aid is also important. No study/education abroad office can hope to implement new policies or determine aid eligibility, package that aid, and distribute it on their own.

Jointly developing processes and sharing resources with institutional colleagues in the both the financial aid and registrar offices is absolutely essential to the effective administration of federal aid for education abroad. On a broader scale, knowing how to work with senior administrators is equally important for managing change to policies such as the transportability of institutional aid for education abroad and how education abroad is funded by the institution.

Publication Overview

Chapter 1 provides a primer to federal government regulations for government aid. Federal government aid is the primary focus because of the uniformity of regulations in its disbursement. State, institutional, and private sources of aid are too individualized to explain in detail for this publication, but it is useful for education abroad administrators to use their network of campus contacts to familiarize themselves with policies in these areas. Chapter 1 has a special focus on which regulations specifically allow aid to be used and those that may make it difficult to meet regulations for students studying abroad.

Chapter 2 covers the broader issue of advocacy on campus. It covers what the authors feel are the necessary skills for creating an effective network of allies on campus. While many readers of this publication may be on campuses that already have effective processes for packaging
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and distributing aid for education abroad students, developing and maintaining a list of contacts is important in dealing with regulatory changes, staff changes in key offices, and even changes to systems and processes that may not seem to directly impact aid delivery. A significant section in this chapter that may be of particular importance to administrators at private institutions is the one with some pointers about advocating for the portability of institutional aid for education abroad.

Chapter 3 provides advice about designing processes for the packaging and disbursement of aid for students going abroad. Knowledge of federal regulations is not enough if administrators in key offices do not work together to develop timelines, forms, and regulations that meet everyone’s needs. This chapter also covers some of the issues related to making the process fit within the student administration systems, like PeopleSoft™, Banner™, or Jenzebar™, that play a major role in designing most processes on most campuses.

Chapter 4 briefly discusses some other financial aid sources beyond Title IV that are available for education abroad. An education abroad administrator who is well versed in some of these areas can help make education abroad more affordable to any student.

While education abroad administrators may be the primary audience of this publication, its usefulness is not restricted to them. The authors have tried to provide useful advice to the network of offices involved in the process including, but not limited to, financial aid administrators, registrars, and bursars.

The contents of this publication provide advice for developing and administering processes, but the advice must not be construed as legal advice or an official interpretation of federal regulations. Readers of this publication should not use this manual as a substitute for careful reference to the actual regulations or for regular consultation with government and campus financial aid administrators. Nor do the authors provide interpretations of regulations.

Federal regulations are frequently written in a manner that stipulates intentions rather than specific modes of compliance, leaving it to the institution to determine how it will achieve compliance in a given instance as long as it does so consistently. A given regulation may produce different results in varying institutional contacts; what is important is that the institution establishes policies consistent with the regulation and that the institution applies those policies consistently.

The authors of this publication acknowledge that they have borrowed heavily from Financial Aid for Education Abroad: A Manual for Advisers and Administrators, edited by Stephen Cooper, William W. Cresse, and Nancy Stubbs, published by NAFSA: Association of International Educators in 1989. In many cases the authors found themselves updating and revising the 1989 publication rather than writing new text. The description of policies and procedures is still accurate today, and the authors saw no reason to completely rewrite what was well written and very helpful text.
Definition of Terms

Before exploring policies, procedures, and regulations further, it is helpful to develop definitions for the terms as they are used in this publication.

*Education Abroad*

As used in this publication, the term includes only those programs that grant academic credit to be used toward a degree program at a Title IV-eligible institution. While some education abroad offices may administer noncredit-bearing short-term programs, internships, or volunteer abroad experiences, these programs are not eligible for aid because they do not award credits and so are not included here.

*Financial Aid*

At the broadest level, financial aid is any funding that comes from a source besides students or their families and is used for achieving the students’ educational goals. The actual process of determining the amount and type of aid is often referred to as “packaging aid.” Typically, financial aid is based on the difference between institutional costs and the expected family contribution, which for federal purposes is determined by the Free Application for Federal Student Aid (FAFSA). Some institutions may request additional information from families to determine the family contribution. Institutions package aid from federal, state, and institutional sources. Outside funding in the form of foundation and corporate scholarships can also have an impact on aid packaging.

*Federal Aid*

Federal aid is a major source of funding for many students at colleges and universities. Even if a student does not qualify for federal aid based on the expected family contribution, the increased cost of an academic term abroad can qualify them or increase the amount of aid for which they qualify. It is important to remember that outside of a few exceptions, federal aid belongs to the student and not to the institution. This concept reinforces the idea that aid should be transportable to any institution as long as the student is able to demonstrate that they are earning credits toward the completion of their degree. A brief explanation of the different types of federal aid is contained within Chapter 1. Additionally, detailed information about eligibility and funding amounts is available at [http://studentaid.ed.gov](http://studentaid.ed.gov).

*State Aid*

Some states provide a significant amount of aid to students at colleges and universities. Georgia’s Hope Scholarship Program is just one example. It is important for education abroad administrators to know about the applicability of state grants to education abroad programs. In some cases they are only applicable if the program is run by a higher education institution within that state, while other states may allow any state aid to apply to education abroad as long as the credits earned are toward a degree. Because of the variability of
scholarships and programs, this publication cannot summarize eligibility requirements and the issue of transportability of aid to students abroad.

**Institutional Aid**

Many institutions have their own aid in the form of scholarships or loans. In some cases these may be endowed scholarships, while in other cases an institutional grant may actually be a tuition discount. Typically institutional aid is based on financial need, merit, or a combination of the two. The transportability of institutional aid to education abroad programs is an institutional decision. Advocating for the transportability of institutional aid is a particularly important issue for education abroad administrators at private institutions because education abroad can be prohibitively expensive for those students who receive institutional aid but are not able to use it abroad.
Government Regulations for Financial Aid—A Primer

Can Students Who Engage in Education at a Foreign Institution Qualify for Federal Financial Aid?

The answer, according to federal regulations, is yes, and the idea that federal financial aid can be used for overseas programs is one that is now accepted in most major institutions of higher learning. The Higher Education Act of 1965 (HEA), as amended, states that “for a student enrolled in an academic program which normally includes a formal program of study abroad, reasonable costs associated with such study” may be considered when determining eligibility for federal aid (Public Law 96-374, Title IV, Part F, § 472-6).

In connection with Title IV aid, there are important distinctions between

1. an institution’s own programs;
2. those sponsored by other institutions, and;
3. arrangements made to enroll students directly and independently overseas.

In general, an institution’s own programs are automatically eligible for financial aid. In the other two cases, it will usually be necessary for the institution awarding Title IV aid to have a written agreement (either a consortium agreement or a contractual agreement) with the other institution or overseas program. A consortium agreement is between two or more eligible schools, while a contractual agreement is between an eligible school and an ineligible school or corporation. For more information about written agreements, consult Chapter 7 of the Federal Student Aid Handbook (http://www.ifap.ed.gov/IFAPWebApp/currentSFAHandbooksPag.jsp).

It is important that these agreements are drawn up because they assure that only one school is determining a student’s eligibility for federal financial aid funds. They can either be written for individual students or more generally between institutions covering all students on specific programs. In some cases the education abroad program may have a higher cost of attendance than the home school, and it may be possible for the student to be eligible for additional funds.
The education abroad office may feel that the appropriate policy is to allow all forms of financial aid for all eligible students studying overseas, but other constituencies within the institution may have different priorities and, therefore, different views on the matter. While many institutions do in fact allow all forms of financial aid to be used for all overseas programs, others commonly allow all forms of financial aid to be applied to the institution’s own programs, but only certain kinds to programs sponsored by other institutions. It is rare for an institution not to allow any financial aid to be used for education abroad; and in the case of the entitlement programs under Title IV, this is illegal.

The guidelines and regulations concerning the application of financial aid for education abroad can be found in several sources, and it can be helpful to consult more than one. In particular, consider reading relevant sections of the following publications:


- Code of Federal Regulations, Title 34 § 668 [http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=45031917363+6%0+0&WAISaction=retrieve](http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=45031917363+6%0+0&WAISaction=retrieve). General rules that apply to an institution participating in any student financial assistance program authorized by Title IV of the Higher Education Act of 1965, as amended.

More importantly, see your financial aid administrator to get information on regulations governing financial aid, including state and institutional grants, scholarships, and loans. The campus financial aid administrators should serve as the main source of information, and the authors encourage the education abroad office to work closely with the financial aid office to determine which education abroad programs meet the criteria for student use of financial aid.

If you accept, then, that federal financial aid can be used for education abroad programs, the job of education abroad administrator becomes one of finding how the aid can be applied at your institution. This can involve many activities and strategies, which are discussed later in this publication. Again, it is difficult to make general statements about federal financial aid for two reasons. First, laws and regulations controlling how much aid is available and who gets it can and will be altered from year to year by legislative and departmental review. These changes sometimes require major revisions in how aid is awarded at the college level, and
they are best understood by relying on the financial aid administrators at institutions of higher education. Second, even those federal programs governed by one law and set of regulations are open to some interpretation by the campus financial aid offices administering the aid. Financial aid administrators have the option of applying “professional judgment” to interpret regulations and to make exceptions to standard rules. Without such flexibility, rules made to affect thousands of students at hundreds of institutions could be unrealistically harsh, and the legitimate need to make interpretations that fit special situations could not be met.

Financial Aid—The Big Picture
As stated earlier, financial aid is defined in the broadest sense as any funding that comes from a source besides students or their families and is used for achieving the students’ educational goals. The typical student who depends on financial aid for higher education receives a “package” of different types of aid from various funding sources. (All phrases in quotations, as well as the general language used to define them, are taken from the publication Funding Education Beyond High School: The Guide to Federal Student Aid, published yearly by the United States Department of Education and available on the Web at http://www.studentaid.ed.gov/students/attachments/siteresources/FundingEduBeyondHighSchool_0708.pdf or from the Department of Education, P.O. Box 1398, Jessup, MD 20794-1398.)

Types of aid include grants, scholarships, loans, and subsidized work or work-study. The funding agencies are most typically categorized as the federal government, state governments, institutions of higher education, and all other suppliers, which are referred to as “private” sources. These may be individuals, businesses, foundations, religious organizations, or other institutions, both private and public. Financial aid offices in most institutions of higher education work with all types of aid from all of the funding sources. Because they provide the majority of financial aid used by college students, however, the most important funding sources are the federal and state governments and the institutions themselves. Federal financial aid is available throughout the nation, and many states base their requirements on the federal model.

There are three broad areas of criteria for awarding aid: financial need, merit, and special qualities or background. Most federal and state financial aid requires the demonstration of financial need to qualify. Merit may be defined as outstanding academic ability in one or more areas, such as a special talent in music or art or athletic ability. Once a student is in college, a merit scholarship is often based on cumulative grade point average. Special qualities or background can refer to many things, such as one’s ethnic or religious heritage or parental place of employment. It is possible for one type of aid from one funding agency to require more than one eligibility standard, for example, an institutional performing arts scholarship that requires outstanding musical ability and a demonstration of financial need.
The student who receives a financial aid package will have to satisfy many different criteria for eligibility. Many students meet some criteria but not others and are, therefore, eligible for some but not all aid. Because financial aid received from the federal and state governments is funded by taxpayer dollars, these agencies require substantial documentation of eligibility.

Types of Financial Aid

Grants

Grants are gifts based on financial need. There are four types of federal grants: Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Academic Competitiveness Grants (ACGs), and National Science and Mathematics Access to Retain Talent Grants (National SMART Grants). All require students to demonstrate financial need and be enrolled at an institution of higher education. ACGs and SMART Grants have merit requirements that must be met as well. Pell Grants, ACGs, and National SMART Grants are awarded to the student; the institution receives reimbursement from the federal government for these grants awarded to its students during a given academic year. FSEOGs are one of the “campus-based programs,” so named because they are administered by financial aid administrators at the home institution. The school is given a sum of money, which it then parcels out to students according to financial need and other criteria. All campus-based programs are funded by the federal government and require the demonstration of financial need.

State grant programs may require financial need and often mandate full-time enrollment at the home campus. In addition, state grants are often restricted to residents of the state in which the home campus is located. Some state grants are based on special entitlement; for example, children of disabled veterans might be eligible for free benefits, regardless of financial need. Since requirements vary greatly from state to state, information should be sought from campus financial aid offices about the types of grants available, eligibility requirements, and application procedures.

Loans

Two major types of low-interest loans, Perkins loans and Stafford loans, are regulated by the federal government, as are Parent Loans for Undergraduate Students (PLUS), loans to parents to help fund the cost of education.

Perkins loans are another campus-based program; the federal government gives the campus a sum of money to provide to eligible students. Perkins loans have several advantages for students. The interest charged on the loans is very low (5 percent during the 2007–2008 academic year) and is deferred until the student leaves school or drops below half-time status. Students need not have a credit rating to get these loans. Repayment of the principal begins after a grace period of nine months after leaving school or graduating. If the student returns to school, repayment of the principal can be deferred again. Students who enter
certain careers, such as teaching children from low-income families, becoming a medical technician, or serving in the Peace Corps or Vista, will have a portion of their loans cancelled. (U.S. Department of Education, Federal Student Aid, Students Channel, Funding Education Beyond High School: The Guide to Federal Student Aid 2007–08, http://studentaid.ed.gov/students/attachments/siteresources/FundingEduBeyondHighSchool_0708Guide2FSA.pdf).

Stafford loans are offered either through the William D. Ford Federal Direct Loan Program (Direct loan) or through the Federal Family Education Loan Program (FFEL). The interest charged on the Stafford loans is also low (6.8 percent during the 2007–2008 academic year). Direct loans are made to the student by the U.S. Department of Education at participating schools and are repaid directly back to the U.S. Department of Education. FFEL loans are guaranteed by the federal government but made to the student by a private lending institution such as a bank, savings and loan association, or credit union. They are repaid to the private lender. Furthermore, Stafford loans are either subsidized (the federal government pays the interest while the student is in school) or unsubsidized. Students must have financial need to qualify for a subsidized Stafford loan, but financial need is not a requirement to obtain an unsubsidized Stafford loan. Repayment of the principal begins after the student leaves school and the 6-month grace period has expired.

PLUS loans are also offered either through the Direct loan program by participating schools or through the FFEL program. Applicants for PLUS loans may need to undergo credit analysis to qualify. These loans have higher interest rates than Stafford loans and, more importantly, they require that some repayment of either principal or interest begin shortly after the loan is disbursed.

The success (and profitability) of guaranteed loans has given rise to a new form of educational loan. These loans, which have several different names and are not part of federal- or state-guaranteed loan programs, are offered through banks and guaranteed by nonprofit agencies set up for the purpose of giving parent or student loans. Generally, applicants must undergo credit analysis to qualify but do not have to demonstrate financial need. These loans usually have lower interest rates than commercial loans, often allow for the deferment of principal payments until a student leaves school, and allow long-term repayment. While these loans may allow a student to go to the desired institution of higher education (or pay the higher costs of an education abroad program), there is growing concern that undergraduates are taking on debts that could be unmanageable when they graduate.

Work-Study

The Federal Work-Study Program (FWS) subsidizes a significant portion of students’ salaries. As a campus-based program, federal work-study awards are determined by the campus financial aid office. Students may work for the home institution or for nonprofit organizations that sign special contracts with the institution. However, nonprofit organizations must be U.S. organizations, so in most cases FWS funds are not available while a student is abroad.
Scholarships

Scholarships, like grants, do not have to be paid back and may be based on academic excellence or special qualities rather than on need. While the federal government has very few scholarship programs, many states and institutions of higher education do, and there are many private scholarships offered by nonprofit, religious, or work organizations. Colleges and universities usually provide a listing of scholarships available through the institution. In addition, there are Web sites that offer free searches for scholarships, one of the most popular of which is www.fastweb.com.

For education abroad scholarships, the institution should circulate listings for any scholarships known to be available from other countries that might not be listed in basic resource materials. If scholarships are awarded through the education abroad office, all applicants should be given a reasonable opportunity to apply as well as adequate information regarding specific scholarships. Recipients should be selected by a system that has been carefully documented prior to implementation and that provides for fair consideration of all applicants.

Eligibility Requirements for Financial Aid

It is difficult to discuss in detail the eligibility requirements for federal financial aid, let alone for the many kinds of state, institutional, or private aid. Legal definitions of eligibility can also change each time the laws governing federal aid are changed. The U.S. Department of Education, which administers higher education assistance programs, can also change regulations concerning eligibility, thus making thousands of students either eligible or ineligible for various types of aid. The authors here have attempted to provide a brief summary of current requirements for federal aid and to consider how some of these requirements apply to receiving financial aid for education abroad programs.

- Citizenship.
  To qualify for federal financial aid, students must be either U.S. citizens or “eligible noncitizens.” Eligible noncitizens include noncitizen U.S. nationals (see the Dept. of State Web site at http://travel.state.gov/law/citizenship/citizenship_781.html) and some kinds of permanent residents and refugees. Only citizens and noncitizen nationals may qualify for Stafford and PLUS loans for direct enrollment in a foreign institution.

- Financial need.
  Most federal and state aid is awarded on the basis of financial need, defined as the difference between the “cost of attendance” at a specific institution and the amount students and their families are expected to contribute. Both the cost of attendance and the “expected family contribution” are determined by using formulas to compute the cost of educational expenses and family and student income, assets, and benefits. The cost of education abroad programs, which can be higher than the cost of attendance on the home campus, may be used in determining students’ eligibility for
federal financial aid. Because the calculation of the cost of attendance is regulated by law, it is important for the education abroad administrator to work with financial aid administrators on the home campus to help determine the cost of education abroad programs.

■ Enrollment.
In general, students must be enrolled at least “half-time” to receive some types of aid. The definitions of half-time and full-time are based on minimums set by the U.S. Department of Education and must be consistent throughout the institution. Students must also be enrolled as “regular students” in an “eligible program” of study. A regular student is enrolled at an institution to receive a degree or certificate or other recognized education credential, and an eligible program is one that culminates in a degree or certificate at an institution that participates in U.S. Department of Education financial programs.

■ Satisfactory progress.
Students must be making “satisfactory academic progress” toward a degree or certificate. The definition of academic progress is set by each institution, within guidelines set by the federal government.

■ Other requirements and criteria.
Eligibility requirements for financial aid can change with each congressional session. Current requirements include the following: the student must have a valid Social Security number, must certify that federal aid will be used for education-related purposes only, must not be in default on any previous federal loans because of nonpayment or owe a refund on any previously received grants, must have complied with Selective Service Registration, and must not be in a period of ineligibility because of a conviction for the possession or sale of illegal drugs while receiving federal student aid.

■ Verification of eligibility.
For the most part, the institution awarding the aid must verify students’ compliance with eligibility requirements. The institution may require students to provide various documents as primary sources for verification. For instance, income tax records may be required from both the student and the parents or guardians to verify reported income, or to determine if the student is claimed as a tax deduction. Verification of specific primary source documents is required for a certain percentage of students receiving Pell Grants. All of this can make the process of applying for financial aid even more complicated, both for the student and for the financial aid administrator.

Student and Institutional Responsibilities

Study abroad administrators who want to facilitate the awarding of aid to their students need to understand the responsibilities of the student who receives federal aid and the institution
disbursing that aid. In both cases, it is extremely important that regulations be understood and followed: negligence on the part of the student can result in ineligibility for future federal aid, and institutions that do not take adequate steps to ensure that aid is used legitimately can be required to repay all aid in a given category. Compliance with federal and state regulations, evaluated by audits of the institution’s records, is an ongoing concern for financial aid administrators.

The responsibilities of the student can be summarized as follows:

1. **Fill out application in a timely manner.** Students initially apply for financial aid by filling out one of several general applications. Some states have their own applications, but many will accept the FAFSA. It is the responsibility of the student to determine which forms his or her institution uses and to fill out the forms completely and accurately and submit them by the deadline.

2. **Provide primary source documents on demand.** Both the FAFSA and the CSS/Financial Aid Profile (administered by the College Board and required by some schools as part of the financial aid application) are processed at a central location. The information from the forms is sent to the colleges requested by the student. Students must then be prepared to produce any primary source documents required by the awarding institution, and must take responsibility for informing that institution of any changes in family finances that could affect the information already submitted.

3. **Fill out or sign required applications and promissory notes.** Many forms and signatures (or e-signatures) can be submitted electronically. It is the student’s responsibility to see that these documents are signed and returned in a timely manner so that aid can be processed.

Besides monitoring student compliance with federal and state regulations, financial aid officers, who are responsible for institutional compliance, must complete a number of tasks before aid can be awarded and disbursed.

A campus budget must be designed, outlining the cost of education for different categories of students (e.g., in-state, out-of-state, students living on campus, students living at home). These budgets are designed according to federal and state standards, but are created to reflect each institution’s particular costs.

Disbursement dates must be established within the boundaries of regulatory requirements. This is not so simple because aid may not be disbursed until various student compliance matters are settled. For instance, institutions may decide to verify student information before aid is disbursed. This means that students must turn in appropriate source documents soon enough to allow for the verification process. If documents are not turned in, shall aid be withheld even if tuition and fees are due? What contingencies will be made for students who
cannot pay tuition and fees because of withheld aid? What if students have not signed the financial aid award letters? When do students sign their loan promissory notes? When are the statements of educational purpose and registration status signed? All of these decisions are left to the institution’s financial aid office and must be made before aid can be awarded.

Decisions must be made on how to package the various types of financial aid. Packaging financial aid involves combining different types of aid (scholarships, grants, employment, and loans) from different sources (federal, state, institutional, and private). Student eligibility criteria and funding limits vary among financial aid programs, so the packaging process is intricate and complex.

Although basic regulations for administration may be outlined by the government, some discretionary judgments are left to the institution’s financial aid administrator. This is how an institution’s packaging philosophy becomes defined. For instance, a number of education abroad participants may show exceptional academic talent, but they may not demonstrate financial need. Recognizing academic merit in a monetary way is an institutional decision to expend discretionary funds that might otherwise be available to needy students; monetary awards might also indicate that the institution values the particular curricular choices of its student scholars.

Because the duration of education abroad programs is often inconsistent with the standard academic calendar, there should be some flexibility in application deadlines, financial aid disbursement dates, and award renewal requirements imposed on students wanting to participate in international education. At the same time, effective management of student aid requires an award system that includes deadlines. Federal and state regulations frequently outline the framework in which financial aid may be disbursed. However, it is important to know the difference between institutional policies and actual regulations so the student’s program of education can be accommodated.

Institutions with insufficient funds to meet the financial needs of all students may target their awards to certain groups. These groups may receive preferential treatment; for example, incoming freshman, high-risk minority and nontraditional students, or students showing great academic promise may be given a larger proportion of institutional aid. This must be carefully balanced with the requirement to make campus-based federal funds reasonably available to all groups.

Institutional priorities can either help or hurt education abroad students. The packaging treatment these students receive can determine the amounts and attractiveness of their financial aid awards. For example, if the institution restricts awards to on-campus costs, needy students may be denied education abroad opportunities. While this is not, in the opinion of education abroad administrators, in the best interest of students, it is important for the administrators to have some idea of the overall packaging philosophy in order to have a positive impact on the process of awarding aid.
Study abroad administrators who want to see their students receive aid must be prepared to take certain responsibilities, especially during an audit. For example, if financial aid awards are based on student costs researched by the education abroad office, that office will be required to explain the rationale for budgetary calculations. If the registrar determines the enrollment status or degree status of a student based on statements from an education abroad office, the education abroad office must have academic documentation consistent with on-campus programs administered by the institution. If periods of enrollment in education abroad programs are not consistent with the institution’s calendar and the student receives financial aid based on that calendar, the education abroad office must provide documentation that the education abroad programs are parallel to and consistent with on-campus academic programs.

In addition to making decisions about budgeting, packaging, verification, and disbursement, financial aid offices must provide timely and accurate information to students, especially because students are responsible for meeting deadlines and turning in appropriate documents. Application procedures for various kinds of aid should be outlined in a reasonable and understandable manner, and appeal processes should be defined. Billing and repayment procedures and the student’s rights and responsibilities as an aid applicant and recipient should be documented and readily available.

Institutions, through their financial aid offices, are required to notify all students of action taken in response to applications submitted and to specify the basis on which those decisions were made. Information made available to students receiving awards should include the educational costs considered when making awards, the total family contribution expected, sources and amounts of financial aid awarded to the student, and the terms and conditions of awards.

Students going on education abroad programs who receive financial aid may have special needs that the education abroad office can help satisfy. Costs should be explained in terms that are comparable to on-campus educational expenses (tuition and fees, books and supplies, room and board, transportation, and personal costs are the five standard items considered for financial aid). These costs should be carefully researched so they are realistic and adequate. Timing the collection of tuition and education abroad fees should reflect the fact that students will not be on campus to respond to requests for payment or for additional information, although many students will continue to have access to their school-provided e-mail accounts.

**Responsibilities of the Education Abroad Office—Special Problems**

Education abroad students are not, by definition, a “normal” population for the typical campus. They are studying elsewhere but need to be enrolled on the home campus. They are taking courses at another institution that must be evaluated for relevancy to a home-campus
degree. Most important, they are not present to look after their own registration, financial aid, bills, transcripts, and other bureaucratic processes that tie them to the home campus and make their progress toward a degree possible. Their unique situation is often the greatest obstacle to finding agreement on how financial aid can be used while studying abroad. The education abroad office has the primary responsibility to help overcome the problems caused by this population’s situation.

The following is a list of potential problems that must be solved to satisfy the needs of education abroad students; the departments handling bureaucratic procedures on the home campus; and the auditors whose job it is to measure compliance with federal, state, and institutional regulations. Suggesting a solution to any of these is difficult because there may be as many solutions as there are systems and institutions. Later in this publication, we try to provide some guidance to these questions.

1. **Verification of the cost of education.**
   - Who determines the cost of attendance according to federal guidelines?
   - How is the cost of another institution’s education abroad program verified?

2. **Verification of enrollment.**
   - How will the home campus show that the student is enrolled to satisfy federal financial aid regulations?
   - How will people who need to know (financial aid administrators, the registrar, academic departments) be informed if a student withdraws before or during an education abroad program?
   - How will an education abroad program’s different academic calendar affect the home school’s deadlines in terms of enrollment and disbursement of financial aid funds?

3. **Verification of satisfactory progress.**
   - Since education abroad grades are often not posted for months after a program ends, how will satisfactory progress requirements be monitored for this group?

4. **Verification of eligibility.**
   - If, after students leave for overseas programs, it is determined that students or parents need to supply tax forms, verification of assets or liabilities, new Student Aid Reports, or other source documents, whose responsibility is it to track down the student and make the request?
5. **Credit transfer.**

- Has the home institution entered into a written agreement/contract with the education abroad institution agreeing to accept the credit earned by the student toward the home degree?
- How is education abroad credit listed on the home institution’s transcript?
- Should credit be treated as if it were earned on the home campus?
- What process is used to review education abroad credit for the home institution’s transcript?
- Who translates foreign titles?
- Are letter grades or pass/fail used?
- If letter grades are used, when will a GPA be calculated for those funds (such as SMART grants) for which the eligibility is based on attaining a certain GPA?
- How are hours of credit determined?
- Who follows up if credit fails to appear from the sponsoring institution in a timely manner?

6. **Disbursement of financial aid.**

- When is it appropriate to delegate powers of attorney for getting financial aid? Who keeps them? Who can use them?
- Is it necessary to complete a consortium agreement or a contractual agreement?
- When deciding on the timing of disbursement, who determines that the education abroad student has actually enrolled overseas? Who sets dates of disbursement if the education abroad dates do not correspond with the normal cycle at the home institution?
- Can students who receive financial aid from the home institution have tuition and fee billing dates deferred? If students are participating in another institution’s programs, can aid be released early? How will the money reach the second institution after the student has left?
- How are financial aid refunds sent to students or to a sponsoring institution?
7. **Student advocacy.**

- If the home campus requires that the student assume responsibility for determining if his or her registration, tuition and fee bill, financial aid award, transcript, etc., are correct, who will do this while the student is overseas? Who helps the student after his or her return?

- How does the student studying abroad get financial aid applications for the next term he or she will take on the home campus? How are questions and requests for further information handled?

- How will the student get information about applying for aid and registering for the next term?

How the education abroad staff works with students and with other campus departments is of great importance. Some education abroad staff members may function as referral agents only and may become familiar with all campus services and with other staff “experts.” Some may act as ombudsmen, assisting the student when difficulties arise and acting as intermediaries or advocates.

The education abroad office may also disseminate certain types of information on a systematic basis, first to students as financial aid applicants, then as education abroad participants, and finally as returnees to the home campus who must reapply for financial aid. The types and accuracy of information are as important as its appropriateness and timing.

Some education abroad staff members may become directly involved in the financial aid process, either at the application, verification, or disbursement stages. They may obtain specific information pertaining to student eligibility for financial aid programs and may be actively involved in the disbursement process while the students are out of the country. The education abroad office may also, for the convenience of the student, follow up on reapplication for aid and encourage students to meet deadlines and submit required information.

The role of the education abroad office with regard to student financial aid should be carefully and deliberately defined. Factors such as the size of the office, the number of students being served, and the willingness and capability of the financial aid, bursar, registrar, and other offices to perform specialized tasks for these students should be taken into consideration.

It is important that the education abroad office understand the complexities of becoming involved with financial aid and understand the needs and requirements of experts in the financial aid office. Both offices should work together to understand the needs of the education abroad student as well as administrative and campus priorities, the requirements of federal and state regulations, and the capacity of campus computer systems.
One of the most difficult aspects of dealing with regulations is to make them clear to your students and to make sure that they follow the regulations, particularly while they are overseas. Difficulties are compounded when, on top of the rules set forth by the agencies controlling the scholarships or loans, the institutions delivering the student aid add their own rules. It helps to provide written summaries of student responsibilities. Predeparture orientation sessions should include attention to requirements related to students’ maintaining their aid. Education abroad personnel must stay in contact with students overseas and provide reminders and sometimes documents. Administrators often need to secure information from those students or certification of their registration.

Another complication stems from regulatory change. In particular, federal regulations and forms of aid for students in higher education exist in a state of dynamic flux. With each administration, and with possible major economic and political shifts within any one administration, change seems inevitable. The education abroad professional must remain alert to such changes, and doing so requires a good amount of effort.

Useful Resources:

CSS/Financial Aid PROFILE
https://profileonline.collegeboard.com/index.jsp

Federal Register

Federal Student Aid
http://studentaid.ed.gov

Federal Student Aid Handbook

Free Application for Federal Student Aid (FAFSA)
http://www.fafsa.ed.gov/

Funding Education Beyond High School: The Guide to Federal Student Aid, published yearly by the United States Department of Education
http://www.studentaid.ed.gov/students/attachments/siteresources/FundingEduBeyondHighSchool_0708.pdf

Guide to U.S. Department of Education Programs

Information for Financial Aid Professionals (IFAP)

National Association of Student Financial Aid Administrators
http://www.nasfaa.org/Home.asp

U.S. Department of Education
http://www.ed.gov/index.jhtml
Advocating for Programs, Processes, and the Portability of Financial Aid on Your Campus

It is important that an education abroad adviser have a clear understanding of the types of financial aid and the regulations for the packaging and disbursement of that aid. However, without clear support throughout the institution for the portability of aid and efficient procedures for disbursing aid while a student is abroad, knowledge of regulations is useless. Most students studying abroad do receive some sort of financial aid so it is important to advocate for that aid being available when students go abroad.

To advocate effectively on campus, an education abroad administrator should understand many institutional characteristics including governance, mission, culture, and organizational structure. Identifying key allies as well as potential barriers to the transportability of aid is a skill that a successful education abroad administrator must develop.

Incorporating the Mission

U.S. institutions participating in the Title IV program are almost always accredited by one of six regional accrediting agencies. Each of these agencies re-accredits institutions in its region every ten years. Rather than dictating that every institution must meet certain standards, the accrediting agencies tend to look at how well an institution is achieving its particular mission. As an education abroad administrator, it’s important to think about how education abroad fits into the institutional mission. When a committee or senior administrator asks why they should do something, one of the most persuasive arguments is always “because it’s part of our institutional mission.”

Many institutional mission statements do not make any specific reference to education abroad, but many do reference preparing leaders or educating for a diverse world, or preparing students to contribute to society. Making an explicit connection between mission and education abroad can be one of the most effective means of advocating for education abroad and the transportability of aid. While many education abroad administrators feel it is obvious that an experience abroad helps students to become leaders or succeed in a diverse world, making this connection explicit may require collecting data. Designing student
evaluation forms with institutional missions or priorities in mind can help you make that explicit link between education abroad and your institutional mission. For example, if part of your institutional mission is to prepare students to work in a diverse world, then asking questions on your evaluation forms about how returned education abroad students feel their experience has prepared them to enter the workforce and work with people from diverse backgrounds can be quite effective. Working with the alumni office to collect data on where education abroad alumni are working may also make the connection more explicit. Data will be much more persuasive to committees, administrators, and faculty than simply assuming that education abroad achieves these things.

Other documents, which are either driven from the institution’s mission or may serve as a mission in the place of a clearly identified mission statement, can be strategic plans or vision statements. Even public statements from presidents or chief academic officers about the value of international experiences can be useful. To advocate effectively, education abroad administrators should be aware of the variety of institutional statements and priorities and how they can be connected to education abroad.

**Understanding Governance Structure**

Understanding your institution’s governance structure is key to successfully advocating for anything on campus. Which committees or individuals are key to making decisions about any policy that you are trying to change, and under what structures or regulations do they operate? When mentioning governance, you may immediately think of the board of trustees or board of governors. This is only the top level of governance, however, and almost every institution has a complex network of committees that play a critical role in developing or changing institutional policy.

The transportability of aid for education abroad often can be influenced by many of these committees. First and foremost there can be a significant financial impact to students taking their aid abroad. Committees dealing with admissions might be concerned about the need to fill beds and classrooms. Student affairs committees may be concerned about the impact on student clubs and leadership since students often go abroad during the period when they fulfill leadership roles on campus. Academic committees are concerned about the academic quality of what is being offered overseas. Committees dealing with institutional finances may be concerned about losing tuition revenue or residence halls with empty beds, or even increasing the loan burden on students. Of course there is the ever present concern about liability when sending students abroad. While many of these concerns and issues may not seem in any way related to the transportability of federal aid, discussions about these issues often arise when any change is recommended with regard to education abroad policies and procedures, including aid transportability. Education abroad administrators need to be aware of which committees may take an interest in changes to education abroad policies and be prepared to brief those committees on proposed changes.
Institutional Culture—Learning It

Understanding the culture of an institution is yet another important characteristic for effective advocacy. You may find committee and governance structures on a Web page or printed in a catalog, and institutional missions and visions are usually printed on documents. The culture of an institution isn’t printed anywhere, however, and it is usually information that is arrived at over time, through observations, and in casual conversation. In some ways, the observational skills education abroad administrators try to stress with students before they go abroad are useful in the campus environment. Observing why things happen and asking for others’ interpretations can be very helpful techniques to gaining insight into organizational culture. Just as with social culture, organizational culture can be impacted by institutional history, leadership, finances, and even institutional aspirations. As an education abroad administrator, it is important to learn something about all of these areas.

Who in the Organizational Structure Can Help

Understanding the role of different offices on campus is another key to advocacy. Certain offices are easily identified as constituents in the process of making aid available for education abroad. Clearly the financial aid office, registrar, and bursar play essential roles in making the process work smoothly on most campuses. However, implementing a process may be completely separate from developing a policy. For example, administrators at private institutions may be able to set up a clear policy for packaging and distributing institutional aid to students going abroad, but the chief financial officer may decide that the institution cannot afford to let institutional aid go abroad. An education abroad administrator needs to understand all the offices that may have input into the decisionmaking process.

Keys to Making It Happen

There are a couple of keys to working with different offices on campus that can either ease the process of setting up a structure for the packaging and distribution of aid or help you to be an effective implementer of institutional change.

1. **Get to know the offices on your campus and the individuals in them.** Find out what current processes and policies they have in place and what does and doesn’t work for them. If there is an office that is a barrier to the transportability of aid, is it that they are opposed to the idea or that the process is too difficult for them? When designing forms and processes, find out whether you are collecting all of the information other offices need and in the format in which they need it. If you are asking other offices to take on additional work, ask how that burden can be minimized. Sometimes, by offering to collect and input data for other offices, what would be a burdensome task suddenly becomes an easily implemented process.

2. **Understand the concerns other offices may have about policies and processes and be prepared to answer those concerns.** Data collection can be a key here. If the chief
2. ADVOCATING FOR PROGRAMS, PROCESSES, AND THE PORTABILITY OF FINANCIAL AID ON YOUR CAMPUS

financial officer is worried about losing tuition revenue, think about recruitment, retention, and financial data that might be able to show that the revenue lost will not be that great or can be offset. For example, offering to analyze the amount of institutional aid that is being sent abroad annually may show that it is less than administrators think. Being aware of institutional data is also essential in planning and proposing changes. Statistics like enrollment trends, discount rates, and average tuition revenue can be helpful in analyzing the cost of proposed programs or policy changes to the institution.

3. **Knowing your supporters on campus is a key factor in successfully advocating for change.** Most administrators will know the attitude of the financial aid office, registrar, and bursar with regard to education abroad because there is constant interaction with these offices. It’s important to know what others on campus think, however. Does the director of admissions believe that education abroad has the potential to recruit students? Does the chief academic officer believe that education abroad can enhance the academic quality and breadth of the institution’s offerings? Which faculty members and administrators have studied abroad or spent a significant amount of time abroad? Are there faculty members who regularly encourage their students to go abroad? Know where the supporters of education abroad are on campus and know on which committees they sit. This information can be invaluable in having education abroad represented and promoted across the entire institution.

4. **Make education abroad visible.** Work with institutional relations to let them know what you are doing and what students have achieved abroad. Internal publicity within the institution is important.

To be a truly effective education abroad administrator who can effectively implement institutional change and develop campus-wide policies and procedures, you need to have a strong knowledge of institutional culture, policies, structures, and data. Being well versed in the logistics of running education abroad programs and advising students is a required skill for an administrator, but it is not enough to be an agent of change. Advocacy for the transportability of aid relies on a knowledge of the institution as well as of federal regulations.
Designing a Process for Granting Aid

Although no single model for implementing financial aid for education abroad can be used successfully by all institutions, you must follow certain standard procedures if the awards are to be made within the context stipulated by the law and described in the previous chapters. Strategies should be developed at your institution based on the general framework presented here, incorporating variations appropriate for specific institutional circumstances.

The suggestions contained in this chapter are based primarily on the provisions in federal law and regulations governing the use of federal aid for overseas programs. Many forms of state aid are based on the same legal requirements; since there are differences, however, an institution should check carefully the laws and regulations of its state to ensure compliance with them.

While the law states a number of requirements that must be met by students and institutions to award financial aid, considerable latitude is allowed to schools to make their own policies in some areas. The general principle is that your institution’s policies may be more restrictive than the law; they may not, however, be less restrictive.

To enable a student to use a complete financial aid package for an education abroad program, a fair amount of extra paperwork must be carried out. Who will do this—the student or the institution? The financial aid office needs information of various sorts concerning the student’s program, the cost of the program, the student’s financial situation, and the student’s progress toward a degree. A basic policy issue is involved in determining who will be responsible for correctly assembling the information and disseminating it to those who need access to it.

An institution that places emphasis on providing services to individual students may take the view that it has the responsibility to assemble this information, transmit it from one office to another, keep track of it, and assure its availability to compliance officers. On the other hand, an institution that for budgetary or philosophical reasons prefers to place the responsibility with the student may take the position that the institution is responsible for telling the student what needs to be done, but the student is responsible for providing documentation to carry out many of the steps in obtaining aid. In either case the institution, and especially the education abroad office, will need to understand those steps and must have defined a viable procedure for ensuring that they are carried out.
The two main steps in determining the availability of financial aid for a student pursuing an education abroad program are: 1) determining whether the education abroad program is an eligible program, and 2) determining whether the individual student is eligible for financial aid.

The Federal Student Aid Handbook 2007–2008 states that “an education abroad program is an eligible program if:

- Students studying abroad concurrently remain enrolled at their eligible home school; and
- The eligible home school awards academic credit for the program of education abroad.

The education abroad program does not have to be a required part of the student’s degree program, but must meet the requirements of consortium and contractual agreements” (Volume 2, Chapter 4 of the Federal Student Aid Handbook 2007–2008; see listing under Useful Resources on page 18).

The authors encourage readers to consult Volume 2, Chapter 7 of the Federal Student Aid Handbook for further information about consortium and contractual agreements, and how they relate specifically to education abroad programs.

Once an education abroad program is approved by the home school, the individual student participating in that program will be eligible for federal student aid funds if:

- The student is an eligible regular student enrolled in an eligible program at the home school; and
- The eligible school approves the program of education abroad for academic credit

Several offices on campus need to work together to determine the eligibility of the program and of the student, but specific tasks will rest within the purview of the individual offices.

**Basis for Student Budgets**

Eligibility for financial aid is based on a calculated cost of attendance. Most institutions already have policies in place to determine the cost of attendance for their home campus programs. How will the cost of attendance for a student’s education abroad program be determined? It may be necessary to construct an individualized budget for the education abroad program if it is through another institution or based on a direct enrollment in a
foreign university. If the program is sponsored by the home campus, the budget needs to be updated each year taking into account inflation and the conversion rate between the U.S. dollar and the currency in the program’s country. The budget should be determined in a similar manner to that of the home campus cost of attendance.

A program overseas may cost the student more or less than the on-campus student budget used by the financial aid office in its awards process. The financial aid office needs to decide whether or not to adjust the student’s budget (and award) to fit education abroad costs. Federal regulations governing allowable educational expenses require student budgets to reflect real student costs and be set in a consistent manner for all students. In cases where an education abroad program has a higher cost of attendance than the home school, it may be possible for the student to be eligible for additional federal funds.

Allocation of Responsibilities Among Administrative Units

Once the institution’s responsibilities have been determined, they must be allocated among various offices. In the following section the various offices that may be involved are described and suggestions are made for their roles; there are variations among institutions, however, and each institution must determine how it will allocate responsibilities.

Key Offices and Their Roles

Although it is impossible to specify for all institutions which offices should perform which tasks, it is necessary to define essential tasks. For clarity in reading this text, we indicate here the office that typically may be involved in carrying out certain tasks. It is understood, however, that offices have different names and different functions at various institutions of higher education. Sometimes these functions may be allocated to offices other than those suggested here, and at smaller schools many of the offices may be combined into units with wider ranges of responsibilities.

Study Abroad

Since the education abroad office has the primary responsibility for encouraging, overseeing, and monitoring education abroad, it must bear primary responsibility for advocacy on behalf of its students. It is important, therefore, for someone in your education abroad office to have a complete understanding of the legal requirements and of possible mechanisms for satisfying these requirements. It is also important for a member of your education abroad staff to be familiar with the responsibilities of the other university administrators who will be involved, to understand the concerns of these individuals, and to develop effective ways of relating to them.
3. DESIGNING A PROCESS FOR GRANTING AID

Beyond this, the key function of your education abroad office will be that of establishing a mechanism for gathering required information and providing it to other offices that need it in connection with financial aid awards. The basic information needed for each program includes the following:

- Who sponsors the program, and what is the sponsor’s legal status (e.g., accredited institution of higher education, nonprofit corporation, for-profit corporation, foreign university)?

- What is the cost of attending the program (this includes both the fees actually levied by the sponsoring institution and other costs such as transportation, lodging, food, supplies, clothing, personal expenses)?

- What is the duration of the program? (In some instances, the actual beginning dates of classes and of the academic session must be specified to ensure compliance with regulations.)

- How many and what sorts of courses are needed to fulfill institutional definitions of full-time and half-time enrollment?

In most institutions the education abroad office is responsible only for those items pertaining directly to the student’s overseas program and his or her participation in it; it is important, however, for your education abroad office to be aware of all the types of information required.

In addition to responsibility for gathering and providing certain kinds of information to appropriate officials, your education abroad office may be responsible for implementing procedures to cover many of the steps involved in making awards. Certainly the education abroad office should assume responsibility for providing information to students that will enable them to ensure awarding and disbursement of their aid in a timely fashion.

**Registrar**

The registrar is responsible for certifying to appropriate authorities that the student is registered on the home campus during the period of education overseas, is a degree candidate, and is enrolled for at least a half-time course of study, all of which are required to receive financial aid for education abroad. In the case of on-campus study, enrollment of the student happens automatically in connection with the registration process and is such a standard procedure that we rarely even think about it. In the case of an overseas program, however, procedures for enrolling and registering students may differ greatly from campus to campus.
Financial Aid

The financial aid office is responsible for collecting information concerning the student’s financial status, “packaging” various forms of financial aid to form a complete award, and complying with the regulations that govern various forms of aid. In addition, the financial aid office is usually responsible for publicizing the various forms of aid that are available and for counseling students. On some campuses, the financial aid office may be responsible for actual disbursement of aid.

It may be necessary to collect students’ signatures on financial aid forms and loan promissory notes while they are abroad. Much of this can be facilitated electronically, especially in cases where the student will have internet access and is made aware that the home school expects the student to check his or her school e-mail account while abroad to keep up-to-date on home campus deadlines and requirements. The Electronic Signatures in Global and National Commerce Act (E-Sign Act) was enacted on June 30, 2000, and “permits lenders, guaranty agencies and schools to use electronic signatures and electronic records in place of traditional signatures and records that, under the HEA and underlying regulations, otherwise must be provided or maintained in hard-copy format.” If schools are relying on electronic communication with students, it will be vital to also build “reasonable safeguards” to protect these communications against fraud and ensure the confidentiality of students’ information. Many loan programs now use electronic Master Promissory Notes (MPNs), which, once signed, carry forward to be applied to loans of the same kind in following academic years. This means that students may not need to sign new promissory notes while abroad if they have taken out loans in previous years.

Admissions

The role of the admissions office in education abroad varies considerably from institution to institution. On some campuses the admissions office may not be involved at all. In other cases it may be charged with readmitting students who have been placed on leave during the period overseas; it may be involved in evaluating transcripts from foreign institutions, or it may be responsible for awarding transfer credit for certain kinds of overseas programs. In any event, someone has the responsibility for awarding credit and forwarding that information to the registrar for posting on the student’s transcript. In connection with education abroad programs, the admissions office has an impact on the satisfactory progress of the student, and it is, therefore, important to coordinate policies with this office.

Bursar

The bursar’s (or treasurer’s) office typically has responsibility for collecting money and disbursing it. When the student pays tuition for the education abroad program, the bursar’s office may collect these funds. When a financial aid award is credited to the student’s account, the financial aid office may send notification of this credit to the bursar’s office. If the education abroad office is responsible for paying fees on behalf of students overseas, it
may request a check from the bursar’s office. Fiscal procedures, however, vary widely from institution to institution, and these are only some examples of possible bursar’s office procedures.

**Chief Academic Officer**

The academic vice president or other chief academic officer typically has responsibility for approving major policy decisions governing education abroad programs and their financial aspects. The chief academic officer may also have responsibility for approving the procedures designed to implement policies.

**Deans and Department Chairs**

Deans and department chairs typically have responsibility for determining which overseas programs will be approved for students in their academic units and what sorts of courses can be applied as credit toward graduation, the major, and/or the completion of certain general education requirements. Since all of these decisions have an impact on the satisfactory progress of the student, these offices play a key role in the financial aid process.

**Office Lines of Communication**

In awarding financial aid, lines of communication need to be established among the various offices involved. Office designations suggested in the previous section are used below to refer to those entities initiating or receiving communications; if an institution differs in assigning responsibilities, please make the appropriate substitutions.

**Education Abroad to Financial Aid**

Items that you must communicate are those that have to do with the program itself: dates, costs, definitions of full- and half-time courses of study, and satisfactory progress. One of the most complicated tasks assigned to the education abroad office on some campuses is determining a student budget for each program. On many campuses, individual program budgets are not requested for education abroad students, and this simplifies matters considerably. If a budget is required, it must be revised each year and must take into consideration such factors as inflation in the host country and the rate of exchange between the dollar and the host country’s currency. Budgets must be written early in the year preceding the year of education abroad and must be received by the financial aid office by the time it begins packaging awards for individual students.

In addition, the education abroad office must provide the financial aid office with lists of students enrolled in certain categories of programs. A student must be officially enrolled before an institution can disburse Title IV funds. It is important for the institution to have a method of confirming the enrollment status of students in education abroad programs, and for the education abroad office, the registrar, and the financial aid office to communicate
about the status of the student. In some cases of direct enrollment in a foreign institution or participation in a education abroad program, federal loan funds can be disbursed directly to the student. The financial aid office should be able to determine when this is the case. In some instances, verification of enrollment can be determined by telephone or e-mail. Also, it is important that the financial aid office is notified as soon as possible when a student withdraws from an education abroad program. It may be necessary to return a portion of the Title IV funds that the student is receiving based on the official withdrawal date.

Education Abroad to Registrar

The education abroad office needs to provide certain information to the registrar concerning each program it administers and each program in which students will be enrolled while abroad. For example, if registration is used to generate a tuition charge against a student, the education abroad office must inform the registrar of the amount of fees and how those fees are to be credited. Typically, the education abroad office is also responsible for providing the registrar with lists of students to be enrolled in the various courses the registrar maintains for overseas programming. The education abroad office could also be responsible for providing information concerning student withdrawals from programs prior to completion. In most cases, after the completion of the program the education abroad office plays some role in posting appropriate credits and grades to the student’s transcript.

Education Abroad to Academic Offices

The education abroad office is typically responsible for maintaining information concerning the academic content of various programs and courses. This information must be updated yearly and provided to the appropriate departmental or school faculty members so they can make informed decisions concerning applicability of credit.

Education Abroad to Bursar

The education abroad office may or may not be responsible for posting charges against student accounts and/or making payments for students who are overseas. These transactions are usually carried out through the bursar’s office.

Education Abroad to Students

The education abroad office is typically involved with three different groups of students each year; applicants for the following year, students abroad during the current year, and returnees. Various financial aid information needs to be provided to each group, and the education abroad office is usually responsible for doing this. An effective vehicle in use on many campuses is a newsletter or Web site for education abroad participants.

Applicants need to know the costs of programs, what kinds of financial aid can be used for each program the applicant may be considering, what procedures must be followed to
receive a financial aid award, and, perhaps most important, what students must do and not
do to ensure continued deferment on any existing loans (e.g., if a student is not enrolled at an
eligible institution while overseas, the lender may require the student to begin repaying
previous loans).

Study abroad participants need to know their responsibilities in connection with their
financial aid packages while they are abroad. This applies to both their current aid and aid
for the year they return to the home campus.

A Sample Procedure for Awarding Government Aid for
Overseas Program

Gathering Information
The first step in the award process is gathering the required information concerning the
overseas program and its costs. This is true whether the program is sponsored by the
student’s home campus or another institution. In general, the following is required.

■ Duration of program and dates.
This is defined as the “payment period or periods.” When does the program begin,
and when does it end? What is the first day of classes, and what is the first day the
students are required to be in the host city? What is the last day of classes, and when
does the examination period end?

■ Definition of a full course of study.
What constitutes full-time or half-time enrollment in the program; how many
semester hours, quarter hours, or clock hours is the student required to attempt at the
overseas school? In some cases, requirements may be sent by the program sponsor,
and in others they may be determined by an office on the student’s home campus.
Where Title IV aid is concerned, the definitions must be consistent with the home
campus’s definitions, which have been set according to regulatory requirements.

■ Definition of satisfactory progress.
What must the student achieve during the period of education abroad to make
“satisfactory progress” toward the degree, and how does this relate to the home
school’s definition? In general this will be decided by an office on the home campus.
A complication in some cases is the lack of mid-year grades at overseas institutions
that do not have semesters.

■ Cost of attendance.
What will it cost the student to attend the program? Cost should include not only the
actual fees charged, but other expenses (if they are not included in the program fee)
such as housing and food; international transportation; passport, visa, and other fees
related to formalities; textbooks and other supplies; personal expenses; and other costs resulting from special circumstances in the host country (e.g., extra clothing required for climatic conditions). If students are required to monitor their school e-mail account to keep up-to-date on deadlines on the home campus, it may be reasonable to include the cost of Internet access in the budget. The institution’s financial aid office will have written a student budget for a semester on the home campus; having a copy of this will give a better idea of the items that should be included in the cost of attendance.

Establishing the Education Abroad Program as Part of the Home-Campus Degree Program

To be eligible for government aid awarded by the home campus, a student must be enrolled in a program that is an integral part of his or her degree program. An institution must formally establish that the education abroad programs it accepts are, indeed, integrated into the students’ degree programs. For an institution’s own program, this can be done by drafting a written policy statement certifying that participation in the program earns credits that count toward a degree that the home institution awards.

For programs sponsored by other institutions and in the case of students who enroll directly in a foreign institution, this is more complicated.

Programs Sponsored by Other Institutions

An institution can award federal financial aid to its students who are enrolled in a program sponsored by another institution providing the following conditions are met.

1. The home institution must enter into a contract with the sponsoring institution, essentially engaging the sponsoring institution as a subcontractor to provide a portion of the student’s educational program.

2. The home institution must give credit for the contracted program on the same basis as if it provided that portion of the student’s education itself.

The contract should state the following:

1. Which institution will consider the student enrolled (this should be the home institution in most cases).

2. What the student’s tuition, fees, and room and board costs are at each school.

3. What the student’s enrollment status will be at each school (usually this will be “enrolled in overseas study” at the home institution and “visiting student” at the other college or university).
4. What the procedures are for calculating awards, disbursing aid, keeping records, and distributing refunds of Title IV program funds. Usually the home institution’s education abroad office will calculate the student’s budget based on a fee estimate supplied by the other institution and submit this information to the financial aid office. The financial aid office then will calculate the award, disburse the aid, keep records, and distribute refunds, if any, in the usual fashion.

**Direct Enrollment Abroad**

If a student wants to study abroad independently by enrolling directly in a foreign college or university, aid can be awarded in two ways:

1. If an overseas school has applied to the U.S. Department of Education and has been approved to award Stafford loans, the overseas school can award that aid directly and handle the required certification procedures. The Department of Education maintains a list of schools overseas that have been approved. Very few of the institutions to which education abroad candidates usually apply are on this list. Therefore, the second way of awarding aid is usually required.

2. By executing a contract with the overseas school as described above, the home institution can award all federal aid for which a student is eligible.

Either method entails effort, and some risk is involved because some overseas schools may not carry out the required procedures in a timely manner.

**Establishing a Procedure for Registering Students**

To be eligible for government aid awarded by the home campus, students must be enrolled at the home institution. This is usually done by providing a way for students to enroll at home for the period they are abroad. Three procedures are in widespread use at major U.S. universities:

- **Course-by-course registration.**

  If the program is actually run by the home school, and if there is a good means of communication between home and abroad, students can be registered directly into the courses they will be taking overseas. This is perhaps the most straightforward approach if it is available. A computer listing can be established for each course taught overseas; students are then registered into these courses and grades are posted in the normal way, just as if the courses were being taught on the home campus.

- **Program-by-program registration.**

  Where the above method will not work, some institutions set up umbrella course listings for each overseas program that has been accepted for graduation credit (this can include both the institution’s own programs and those sponsored by other
institutions). The course listing has a number and a title (e.g., “State University Program in Paris”), and is usually listed temporarily as awarding zero credits (the actual credits earned are posted to the transcript after the student returns). To validate this procedure, zero credit enrollment in these courses should be incorporated into the definition of a full course of education by the institution (i.e., the registrar or director of financial aid). This is a common practice, completely consistent with federal law and regulations governing financial aid. At larger institutions, the definition of a full course of education includes a list of specifications for various types of students, courses, and programs. It may, in fact, already contain some categories in which a full course of education awards zero credit (e.g., thesis research students). At smaller schools there may be a more restricted definition, and it may take some persuasion to get a special definition for education abroad added.

- **Single registration for education abroad.**
  In still other cases, it may be preferable to establish a single course or classification for all education abroad participants. This will be essentially a simplified version of the procedure outlined above but will carry a generic title such as “Approved Education Abroad Program.” At some institutions it may be helpful to use both the program-by-program approach and the single-registration approach, especially if different types of aid are to be awarded for home-campus and other-sponsor programs.

### Applying the Procedure to Students

Once information has been gathered and the mechanisms described above are in place, an institution will be ready to handle the needs of education abroad students, which are similar to the needs of students at home: students must apply for the program, apply for aid, be advised, and register. Procedures will vary widely among institutions and are for the most part similar or identical to those followed by home-campus students. A few points, however, should be clarified.

Most important is that because these students are doing something out of the ordinary, the education abroad office will have to monitor procedures, especially during the first few years, to make sure everything is going smoothly. The degree of help and/or monitoring provided by the office will depend upon institutional policy decisions.

It is also worth noting that establishing contracts with other institutions creates an obligation on the part of the home institution to provide advising and other forms of assistance analogous to those provided to home-campus students. Although educational services have been subcontracted to another institution, the home school still has the responsibility of providing the usual range of student services.
3. DESIGNING A PROCESS FOR GRANTING AID

Awarding and Providing Aid to Students

Once the student has applied for aid and the education abroad office has supplied the needed information, the financial aid office will make and package the award using its normal procedures and with whatever modifications for education abroad that have been established by the institution in the policymaking phase. Usually the education abroad office will have little or no role in this other than to monitor and understand the process.

Actually providing the money to the students is more complex in the case of students overseas. In many cases, required signatures on loan promissory notes and financial aid forms are now collected on-line (e-signatures), and in some cases, institutions are able to wire funds to students’ bank accounts. Where electronic transmission of information is not possible and students are not monitoring their e-mail accounts, it may be necessary for a member of the students’ family to acquire power of attorney to sign for or collect funds on the students’ behalf.

Monitoring the Student’s Work Overseas

An institution is required to make an adjustment in the student’s aid if he or she withdraws from a course of education without completing it. It is the responsibility of your education abroad office to report promptly to the financial aid office any instances of students withdrawing from programs, ceasing to attend class, or permanently leaving the education site.

The crucial piece of information in these cases is the withdrawal date or “last date of attendance” of the student because this may have an impact on the amount of the refund due (if any).

Awarding Credit

Once the program has ended, credit must be posted to the student’s transcript and a determination must be made concerning satisfactory progress. Here again, policies, procedures, and the offices involved differ widely from institution to institution. Home credit or transfer credit may be awarded, grades may or may not be posted to the transcript and may or may not be counted in the student’s average, and responsibility for awarding credit may lie with the education abroad office, academic offices, admissions office, or registrar’s office. In any case, as usual, the education abroad office needs to understand the procedure and monitor it carefully.
Other Sources of Financial Aid

Outside of Federal Title IV, state, and institutional aid, there are several sources of financial aid with which education abroad administrators should be familiar.

Gilman International Scholarship Program

In 2006–07, this program granted 820 scholarships of up to $5,000, making it the largest scholarship program for education abroad in terms of number of scholarships. Eligibility is based on financial need and the program aims to encourage students to choose nontraditional destinations. At the time of writing this publication, students needed to be Pell Grant recipients and be U.S. citizens to be eligible for the scholarship. The minimum duration of education is four weeks, and students studying in multiple countries must spend at least four weeks in one country. Students on summer-only programs are not eligible. In 2006–07, an additional grant of up to $3,000 was available to students studying critical languages such as Arabic; Chinese; Turkic, Persian, or Indic languages; Korean; and Russian. Further information on this program is available at http://www.iie.org/gilman.

National Security Education Program

This program is designed to encourage students to pursue education in less-traveled-to countries. Awards are available for education in most countries with the exception of those in Western Europe and in Canada, Australia, and New Zealand. The program available for undergraduates spending one year or less abroad is the NSEP David Boren Scholarship. Language education is a requirement for eligibility. Preference is given to students studying for an academic year, although semester-long grants are available as well. Applications for summer-only will be considered only if it is a language-immersion program of at least eight weeks duration. The maximum award amount varies from $8,000 for summer to $20,000 for a full academic year. There is a service requirement to this program where recipients agree to work for the federal government in an agency dealing with security responsibilities for at least one year. More information about Boren Scholarships is available at http://www.iie.org/nsep.
Non-U.S. Government Scholarships

There are many nongovernment sources of aid—so many in fact that this publication cannot hope to cover all of them. However, three programs that are aimed specifically at undergraduates spending an academic term abroad are highlighted below. This is by no means a definitive list, and students should be encouraged to do their own research about identifying other applicable scholarship opportunities.

Freeman-Asia

With the Support of the Freeman Foundation, this program supports education in East or Southeast Asia for students who are U.S. citizens and have a demonstrated financial need. Awards range from $3,000 for summer education of eight weeks or more to $7,000 for an academic year. More information is available at http://www.iie.org/freeman-asia.

DAAD

The German Academic Exchange Service (DAAD) offers several scholarships that are available to U.S. (or Canadian) undergraduate students. The undergraduate scholarship provides a living stipend for four to ten months during the academic year to study, conduct research, or complete a thesis in Germany. A university summer course grant is available to attend 3- to 4-week-long summer programs. Further information is available at http://www.daad.org.

Rotary Ambassadorial Scholarships

Administered by the Rotary Foundation and applications from local Rotary clubs, scholarships are available for year-long education at foreign education institutions (study through a U.S.-based provider or institutionally run programs is not permitted) or for intensive language education of three to six months. More information is available at http://www.rotary.org.