



***“To offer quality professional trainings in healthcare, it & business related disciplines”***

## **Policies for Administrative Capability**

### **1. Policy for Internal Checks and Balances Policy**

#### **Purpose**

To ensure the proper, accurate, and federally compliant administration of Title IV federal student financial aid, CTK Healthcare & Career Institute has established this policy outlining internal checks and balances, by 34 CFR 668.16.

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#### **a. Organizational Separation of Duties**

To prevent conflicts of interest and ensure oversight:

- **Financial Aid Office** handles eligibility determination, student counseling, and aid packaging.
- **Business Office** processes disbursements and maintains fiscal records.
- **Registrar/Admissions Office** manages enrollment status, academic progress, and attendance reporting.
- Regular **cross-checks** are conducted to verify accuracy and avoid internal conflicts.

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#### **b. Federal Aid Eligibility & Compliance**

Financial Aid Office ensures:

- Accurate assessment of eligibility criteria (e.g., Satisfactory Academic Progress, enrollment status, dependency, citizenship).
- Use of updated software and regulatory guides for FAFSA processing and verification.
- Annual training of staff on Title IV rules and changes.

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#### **c. Disbursement Controls:**

Business office ensures-

- Title IV funds are disbursed **only after confirming enrollment status and academic attendance**.
- Funds are deposited in a separate **federal funds account** and drawn down based on actual disbursement needs.
- The Business Office verifies refund and overpayment calculations in coordination with the Financial Aid Office.

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#### **d. Reconciliation and Audit Procedures**

Business Office ensures:

- Monthly reconciliation of:
    - Institutional financial aid records,
    - G5 drawdowns,
    - COD (Common Origination and Disbursement) system,
    - Student accounts.
  - Annual **external audit** of financial aid programs.
  - Internal audits and compliance checks are conducted quarterly.
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**e. Student File Review and Documentation**

Financial Aid Office ensures:

- Random file reviews for verification accuracy.
  - Maintenance of complete student financial aid files, including ISIRs, verification worksheets, award letters, disbursement records, and correspondence.
  - FERPA-compliant documentation and data security procedures are enforced.
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**f. Corrective Action and Monitoring**

Financial Aid Office ensures:

- Identified discrepancies or noncompliance issues are investigated and corrected promptly.
  - Staff performance is regularly monitored through internal audits and compliance checklists.
  - Findings from federal or accreditor reviews are addressed with corrective action plans and documented follow-up.
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**g. Staff Training and Development**

Financial Aid Office ensures:

- All financial aid staff undergo annual Title IV compliance training.
  - Attendance at professional conferences (e.g., NASFAA, FSA Training Conference) is encouraged.
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**h. Fraud Prevention**

Business Office ensures:

- Procedures are in place to detect and report suspected fraud or misrepresentation.
  - Staff are trained to recognize red flags and escalate concerns to the Department of Education if needed.
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**Policy Review**

To be a compliant institution, this policy is reviewed annually and updated to reflect new federal regulations or institutional changes, as needed In accordance with 34 CFR 668.16(c)(1) and related federal laws, and to separate the necessary functions of determining student financial aid awards and disbursing those funds to maintain integrity and reduce the risk of error or fraud.

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**Financial Aid Office Policy Statement:**

To ensure compliance with federal regulations and promote accountability in the administration of Title IV funds, CTK Healthcare & Career Institute separates the responsibilities for determining financial aid awards and for disbursing aid funds. This division ensures transparency, reduces the risk of conflicts of interest, and protects student financial resources.

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**a. Award Determination**

The **Financial Aid Office** is solely responsible for:

- Reviewing student eligibility and FAFSA data.
  - Performing verification when required.
  - Calculating Cost of Attendance (COA) and Expected Family Contribution (EFC).
  - Packaging federal, state, and institutional aid based on eligibility.
  - Issuing award notifications to students.
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**b. Disbursement of Funds**

The **Business Office (Accounting Department)** is responsible for:

- Disbursing federal and other aid funds based on the award information provided by the Financial Aid Office.
  - Managing federal funds accounts and ensuring proper drawdowns from G5.
  - Posting disbursements to student accounts and issuing credit balance refunds, if applicable.
  - Ensuring funds are not disbursed until enrollment and attendance are confirmed.
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**c. Internal Controls and Oversight**

- Regular coordination between offices occurs through shared reports and reconciliation processes.
  - Cross-training is limited to knowledge-sharing; however, staff may not perform both functions simultaneously.
  - All disbursements are subject to pre- and post-audit checks by designated administrative personnel.
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**d. Compliance Monitoring**

- Internal audits are conducted quarterly to ensure the functional separation is maintained.
  - Policies are reviewed annually and updated as needed to comply with 34 CFR 668.16.
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This clear separation supports regulatory compliance and reinforces the institution's commitment to ethical financial aid practices.