



2023-27 CAL GRANT PROGRAM INSTITUTIONAL PARTICIPATION AGREEMENT

Name of Institution: _____

Address of Institution: _____

Office of Postsecondary Education Identification (OPE ID) Number: _____

Provide staff's name, email, and mailing addresses (if different from above) in the spaces below:

President/Chief Executive
Officer/Chancellor:

Financial Aid Director:

Cal Grant Coordinator:

Chief Financial Officer:

Please return via email to:
csacip@csac.ca.gov

For assistance please contact:
Institution Support
1-888-294-0153 or
csacipa@csac.ca.gov

Execution of this Agreement is mandatory for participation in the
California Student Aid Commission's Cal Grant Program.

TABLE OF CONTENTS

ARTICLE I – CAL GRANT PROGRAM ADMINISTRATION – PARTICIPATION 3

ARTICLE II – CAL GRANT PROGRAM ADMINISTRATION – GENERAL PROVISIONS 3

ARTICLE III – CAL GRANT PROGRAM ADMINISTRATION – ACCT MAINTENANCE – INST RESPONSIBILITIES..... 5

ARTICLE IV – CAL GRANT PROGRAM ADMINISTRATION – DISBURSEMENT – INST RESPONSIBILITIES..... 8

ARTICLE V – CAL GRANT PROGRAM ADMINISTRATION – COMMISSION’S RESPONSIBILITIES 13

ARTICLE VI – CAL GRANT PROGRAM ADMINISTRATION – INFORMATION SECURITY..... 14

ARTICLE VII – CORRECTIVE MEASURES 17

ARTICLE VIII – AGREEMENT DURATION 18

ARTICLE IX - CERTIFICATION 20

FOR PRIVATE INSTITUTIONS..... 22

FOR PUBLIC POST SECONDARY INSTITUTIONS..... 22

FOR ALL INSTITUTIONS..... 23

APPENDIX A – PROGRAM AND FISCAL RECORDS..... 24

ARTICLE I – CAL GRANT PROGRAM ADMINISTRATION – PARTICIPATION

The California Student Aid Commission (“Commission”) and _____, hereafter referred to as the “Institution,” agree to the terms contained in this Institutional Participation Agreement (Agreement).

This Agreement governs the terms and conditions of the Institution’s eligibility to participate in the Cal Grant Program. An Institution’s failure to comply with the administrative, fiscal, and information security responsibilities set forth in this Agreement may result in the termination of the Institution’s Agreement.

This Agreement applies only to the campus(es) indicated on this Agreement as listed in Article IX. A new Agreement is required for additional campus(es) not listed in Article IX of this Agreement.

This Agreement shall terminate and the Institution’s participation in the Cal Grant Program shall end on the date of any shift in control or change of ownership as defined in Article VIII. If the new controlling party or new owner wishes to continue Cal Grant participation, a new Agreement must be completed and executed.

In the event of any inconsistency between any of the provisions of this Agreement and applicable federal or state law or regulation, the law or regulation shall prevail over the conflicting provision, and the remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE II – CAL GRANT PROGRAM ADMINISTRATION – GENERAL PROVISIONS

- A. The Institution understands and certifies it is a qualifying institution as set forth in California Education Code (CEC) § 69432.7(l) and Title 5 California Code of Regulations (CCR) § 30009 and it shall be deemed disqualified if it no longer possesses all of the requirements for a qualifying institution. The Institution shall immediately notify the Commission whenever it fails to meet the minimum qualifications for participation as set forth in CEC § 69432.7(l) and Title 5 CCR § 30009.
- 1) An institution that no longer meets the definition of a qualifying institution will have its Agreement terminated effective the last day of the award year for which it met the definition of a qualifying institution. The Institution shall be required to reconcile all outstanding Cal Grant transactions and return any unused funds no later than ninety (90) calendar days following termination.
 - 2) Should the Institution regain its status as a qualifying institution, the Institution must execute a new Agreement prior to participation in the Cal Grant Program.
 - 3) Should the Institution decide to appeal its loss of eligibility due to Graduation Rates (GR) or Cohort Default Rates (CDR), it must do so in accordance with Title 5 CCR § 30045-30049.

- a. A new Agreement does not need to be executed for approved CDR and GR appeals.
- B. The Institution agrees to maintain standards of administrative capability and financial stability in accordance with federal and state law and regulations. Institutions should refer to the Cal Grant Program Handbook, CEC § 69432.7(l), and Title 5 CCR § 30009.
- C. The Institution agrees to use and retain program and fiscal records (refer to Appendix A: Program and Fiscal Records) that demonstrate Institutional and student eligibility and document the accuracy of the grant payments reported and the right of the Institution to receive or retain payments made by the Commission. The Institution shall retain these records for a period of three (3) years following the last day of the academic year for which the grant was intended or until outstanding audits are resolved.
- D. The Institution shall maintain written policies and procedures governing the administration and processing of Cal Grant funds under this Agreement.
- E. The Institution agrees to use Cal Grant funds transferred to it solely for the purposes specified, and in accordance with the provisions set forth in the respective program statutes, federal and state regulations and procedures, the Cal Grant Program Handbook including handbook updates, Grant Operations Memos (GOM), Grant Special Alerts (GSA), and this Agreement.
- F. The Institution acknowledges no Cal Grant funds are authorized for a fiscal year until such time as the fiscal year's budget has been adopted by the Legislature and signed by the Governor. It is further understood if such funds are not approved for a fiscal year, the State and the Commission shall be relieved of further payments. If proposed funding amounts are reduced, this Agreement is limited to the approved amounts only.
- G. The Institution agrees to maintain a current designation of individuals in the Grant Delivery System (GDS) and the WebGrants System (WebGrants) who are responsible for coordinating and communicating with the Commission on matters related to the provisions of this Agreement. Changes to staff administering the Cal Grant Program must be updated within fifteen (15) calendar days of occurrence.
- H. The Institution agrees to make available at the time of program compliance review, or at any time at the request of the Commission staff, any records and personnel related to the administration of the Commission's Cal Grant Program.
- I. The Institution agrees it is subject to and must comply with all current and applicable federal and state law regulations in its implementation of the terms of this Agreement. The Institution agrees noncompliance with any of these provisions may result in the termination of this Agreement and the privileges afforded under it.
- J. The Institution agrees that prior to receipt of any state financial assistance or state student financial aid, a postsecondary educational institution shall provide assurance to the agency administering the funds, in the manner required by the funding agency, that each program or activity conducted by the postsecondary educational institution will be conducted in compliance with this chapter and all other applicable provisions of state law prohibiting discrimination on the basis of sex. A single assurance, not more than one page in length and signed by an appropriate responsible official of the

postsecondary educational institution, may be provided for all the programs and activities conducted by a postsecondary educational Institution. This assurance must be retained by the Institution in files, catalogs, or on the Institution's official Website and need not be included with this Agreement. [CEC § 66290]

- K. The Institution agrees to provide the Commission with copies of all consortium and contractual agreements between the Institution and any other institution or organization, whether eligible or ineligible for federal student aid, attended by Cal Grant recipients and for which the Institution receives Cal Grant funds, as needed for purposes of conducting a program compliance review.
- L. As a condition for its voluntary participation in the Cal Grant Program, the Institution shall annually report to the Commission, as specified in regulations adopted by the Commission, data for its undergraduate programs. [CEC § 69433.2; Title 5 CCR § 30040]
- M. The Institution agrees it shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency. [CEC § 69432.7(1)(2)(A)]
- N. An Institution required to provide notice of suspected fraud under State Administrative Manual (SAM) section 20080 shall concurrently notify the Commission of suspected fraud if the activity involves Cal Grant students or funds.
- O. The Institution must notify the Commission immediately if any of the following occur:
 - 1) A shift in control or any other significant change in the control of the Institution
 - 2) Change of ownership
 - 3) Change of President, Chief Executive Officer, Chancellor

ARTICLE III – CAL GRANT PROGRAM ADMINISTRATION – ACCOUNT MAINTENANCE – INSTITUTIONAL RESPONSIBILITIES

- A. Administration of the Cal Grant Program is an Institution-wide responsibility. Student information in the possession of any office or division of the Institution constitutes information in the possession of the Institution. The Institution agrees to manage and coordinate information on Cal Grant funds and Cal Grant recipients, among all offices (i.e., financial aid office, accounting/bursar's office, registrar's office, admissions office, third party servicers, district, and county offices, etc.).
- B. The Institution agrees to adhere to the California Student Aid Commission's strict security and confidentiality policies and procedures in place to protect the integrity and confidentiality of student records. The California Student Aid Commission has not now, or in the past, shared any information which would indicate a student's immigration status, either documented or undocumented. The California Student Aid Commission

also adheres to the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99), a federal law that protects the privacy of student education records. Pursuant to section 502 of the California Penal Code and Public Law 99-474, Title 18, United States Code unauthorized access to applicant information will be prosecuted to the fullest extent of the law. The Institution further agrees to the following limitations and guidance regarding the use of student information and data collected by the California Student Aid Commission and shared with the institution through their WebGrants account:

- 1) The information provided via the California Dream Act Application is used solely to determine eligibility for state financial aid and is not shared with the federal government or used for immigration enforcement purposes. The Commission and institutions will protect this information to the fullest extent of the law.
 - 2) [The California Office of the Attorney General's Guidance and Model Policies to Assist California Colleges and Universities in Responding to Immigration Issues](#)
- C. The Institution agrees to maintain a current designation of individuals who are responsible for Cal Grant account maintenance through adherence to Generally Accepted Accounting Principles (GAAP). The Institution agrees to maintain a separation of function/duties between individuals who authorize and disburse Cal Grant funds so no one individual is responsible for both functions.
- D. The Institution agrees to maintain an accounting system that conforms to GAAP which includes such items as, but is not limited to, cash receipts and disbursement journals, bank account reconciliation, evidence of receipt of Cal Grant funds, disbursement of Cal Grant funds to recipients, and all other accounting records necessary to account for all transactions. All Cal Grant funds must be properly recorded and allocated to the appropriate award year for which the funds were advanced and disbursed.
- E. The Institution agrees all Cal Grant funds, including term advances transferred by the Commission pursuant to CEC § 69432.8 and Title 5 CCR § 30031, constitute State funds, owned by the State, and held in trust for the State, until the funds are withdrawn to be paid as an award for an eligible Cal Grant recipient or as otherwise directed by the Commission.
- 1) Institutions may hold Cal Grant funds in a separate bank account or may commingle Cal Grant funds with funds from other sources but must identify the Cal Grant funds through a subsidiary ledger.
 - a. Absent a separate bank account, the Institution must ensure its accounting records clearly reflect the identification of Cal Grant funds as readily as if those funds were in a separate account; and
 - b. The Institution must identify earnings on Cal Grant funds in the Institution's bank or investment account.
 - c. The account(s) in which Cal Grant funds are held must be an interest-bearing account, an investment account, or an equivalent account at a financial institution with a presence in California whose accounts are insured by the Federal Deposit Insurance Corporation.

- d. The Institution must confirm that the account(s) used in which Cal Grant funds are held is interest-bearing when establishing, updating, or during the Agreement renewal process. Confirmation of an interest-bearing account is a letter from the banking institution on the bank's letterhead indicating such or a copy of the account statement. The full account number must be listed on the confirmation document for verification purposes.
 - 2) Interest earned on Cal Grant funds constitutes State funds and must be remitted annually to the Commission on behalf of the State no later than March 1 following the calendar year for which the interest accrued (e.g. March 1, 2023, for calendar year 2022).
 - a. Institutions that fail to remit interest for the previous calendar year for more than 60 days past the March 1st deadline will have their term advances halted until the interest is remitted to the Commission.
 - 3) Institutions shall calculate interest on Cal Grant funds in the same manner used by its financial institution or investment pool. If a negative balance exists as a result of the Institution paying recipients in excess of the Cal Grant funds available for disbursement, the Institution shall not adjust or otherwise offset its Institutional expenses against interest earned on Cal Grant funds. The Institution agrees no bank fees, unearned interest on Institutional funds (i.e., "negative interest"), or other cost shall be deducted nor offset against the interest earned by the advance of State funds for the Cal Grant Program.
 - 4) Institutions have a fiduciary responsibility to ensure State funds are used only for the benefit of eligible students. Under no circumstances may the Institution use State funds for any other purpose, such as:
 - a. Paying operating expenses
 - b. Collateralizing or otherwise securing a loan
 - c. Earning interest or generating revenue in a manner that risks the loss of State funds
 - d. Subjecting State funds to liens or other attachments (such as certain overnight investment arrangements or sweeps).
- F. Should the Institution close, lose federal financial aid eligibility, no longer meet the statutory definition of a qualifying institution, or if this Agreement is terminated, the Institution agrees to return any undisbursed funds or pay any outstanding invoices immediately and remit any interest earned on those funds.
- G. The Institution shall not request additional State funds from the Commission until the initial term advance funds are disbursed to eligible Cal Grant recipients enrolled in the Institution.

ARTICLE IV – CAL GRANT PROGRAM ADMINISTRATION – DISBURSEMENT – INSTITUTIONAL RESPONSIBILITIES

- A. Institutions with a main campus outside of the State of California agree to identify which of the Institution’s California campuses the Cal Grant recipients attend and report this information to the Commission when requested.
- B. The Institution shall confirm the recipient meets all eligibility and program requirements specified in the CEC, applicable regulations, this Agreement, and the Cal Grant Program Handbook at the time Cal Grant funds are paid to the recipient or the recipient’s account.
- 1) The recipient is a U.S. citizen or an eligible noncitizen [CEC § 69433.9(a)], or after January 1, 2013, the recipient meets the eligibility requirements specified in CEC § 68130.5 and Title 5 CCR § 30002.
 - 2) In the case of a recipient without lawful immigration status, after January 1, 2013, the Institution must maintain an affidavit executed by the recipient stating the recipient has filed an application to legalize their immigration status or will file an application as soon as they are eligible to do so unless the recipient is a U Visa holder. [CEC § 69508.5, § 68130.5 Title 5 CCR § 30002] For those recipients attending more than one institution or who transfer between institutions, each institution is required to maintain an affidavit in its records.
 - 3) The recipient is not in default on any Title IV educational loan or does not owe a refund on any Title IV grant (e.g., Federal Pell or Federal Supplemental Educational Opportunity Grant) or any State grant program administered by the Commission. [CEC § 69507.5 and § 69433.9(d); Title 5 CCR § 30002]
 - 4) The recipient is not incarcerated. [CEC § 69433.9(c); Title 5 CCR § 30002]
 - 5) The recipient meets the California State residency requirements for at least one year as of the residence determination date, with the exception of those students eligible under CEC § 68130.5; Title 5 CCR § 54020.
 - a. The residence determination date may be established by one of the following:
 - i. If the governing board of a public institution has adopted by regulation or policy, a residence determination date [CEC § 68023, Title 5 CCR § 41903, § 54020], that date shall be used for Cal Grant purposes.
 - ii. The residence determination date for Cal Grant purposes shall be either the first day of instruction of the term for the award year in which the student is enrolled as a Cal Grant recipient, or the date the Commission uses to make the preliminary determination of

California residency for the purpose of offering a Cal Grant.¹

- b. Public institutions shall use the procedures or rules and regulations instituted by their respective governing boards for determining California residency, including resolving conflicting information in the possession of the Institution. [CEC § 68044; Title 5 CCR § 41903, § 54020 and § 54024]²
- c. Non-public institutions may adopt the regulations in Title 5 CCR § 54020 and § 54024, or may develop and document their own and adopt policy consistent with Title 5, CCR § 54020-54024 and CEC § 68060-68062, including the resolution of conflicting information in the possession of the Institution.²
- d. Conflicting residency information may include indicators on the Institutional Student Information Record (ISIR), such as:
 - i. Permanent mailing address in a state other than California
 - ii. Driver's license issued by a state other than California
 - iii. Student's state of address not California
 - iv. Date of residence not more than a year prior to residence determination date
 - v. (If minor) parent's state of address not California,
 - vi. (If minor) parent's date of residence not more than a year prior to residence determination date, or
 - vii. Any other information available at the Institution, which shows inconsistency with a claim of California residency.
- 6) The recipient meets the requirements set forth in CEC § 68130.5(a)(1) and (2) and Title 5 CCR § 41906.5, or other similar requirements adopted by the Regents of the University of California for purposes of determining whether a student is exempt from paying nonresident tuition based on their attendance at a California high school or equivalent thereof. [CEC § 69508.5]
- 7) The recipient is enrolled in an eligible program or course of study. [CEC § 69433.5(e); Title 5 CCR § 30001]

¹ Institutions shall apply the same residence determination date(s) to all their students uniformly.

² The Commission acknowledges the validity of differing residency requirements among the segments of California postsecondary education. Nevertheless, the Commission strongly recommends in the case of a student who has been determined to be a resident, has received a Cal Grant, and then transfers to another California postsecondary institution, institutions NOT REESTABLISH residency requirements only in relation to the receipt of the student's Cal Grant.

- 8) The recipient does not have a bachelor's or professional degree before receiving a Cal Grant (except for post-baccalaureate students enrolled in teaching credential programs). [CEC § 69433.5(d)(2); Title 5 CCR § 30001]
- 9) The designated recipient's participation in an eligible post-graduate teaching credential or mandatory 5th-year program is approved by the Commission. [CEC § 69433.6(c), § 69433.6(d)(1); Title 5 CCR § 30005]
- 10) The enrollment status for each recipient on the grant roster must be as defined in CEC § 69432.7 and Title 5 CCR § 30003 and § 30004.
- 11) The new and renewal recipient demonstrates the minimum financial need required for a new or renewal Cal Grant award at the Institution according to federal financial need methodology. [CEC § 69432.9(b); Title 5 CCR § 30001]
- 12) The recipient with a new or renewal award has family income and assets at or below the published Cal Grant ceilings. [CEC § 69432.7(k); Title 5 CCR § 30001 and § 30002]
- 13) The recipient is complying with the Institution's federal Title IV satisfactory academic progress (SAP) policies. [CEC § 69433.5(a); Title 5 CCR § 30001 and § 30002]
- 14) The California Community College Transfer Entitlement recipient randomly selected for verification pursuant to CEC § 69436(d)(3)(B) and Title 5 CCR § 30002 meets eligibility criteria.

C. Disbursement of Cal Grant Funds

- 1) Establish and maintain a written disbursement policy for each educational program, if different from the standard disbursement policy used by the Institution. Each participating Institution must have a published term-by-term calendar identifying the Institution's course "add/drop" and/or financial aid enrollment census dates or the equivalent and must produce the written calendar upon request.
 - a. Report payment transactions through WebGrants or data files as early as practicable, but no later than sixty (60) calendar days following the end of the payment period or the final determination of eligibility.
 - b. Report payments within fifteen (15) business days of disbursement but no later than sixty (60) calendar days following the end of the term.
 - c. Disburse Cal Grant funds to eligible recipients within fifteen (15) business days of determination of enrollment status when Cal Grant funds are available in the Institution's account.
 - d. Disburse no more than that which the recipient is eligible to receive per payment period. The award to a half-time or three-quarter-time recipient shall be prorated based on the participant's enrollment status. [CEC § 69433.5(b), CEC § 69432.7(f), CCR § 30004]

- e. Disburse Cal Grant payments based on the recipient's enrollment status using the Institution's add/drop date, financial aid census date, or its equivalent.
 - f. Any funds disbursed to a recipient in excess of that which the recipient is eligible to receive is considered an overpayment. Correct any Cal Grant overpayment and return the overage to the Commission, if necessary.
 - g. Make all disbursements and adjustments no later than the month of September following the end of the award year (e.g., September 2023 for award year 2022-23).
- 2) The Institution must establish and publish a policy that informs Cal Grant awardees of their disbursement options prior to receiving payment. These options include the following:
- a. Applying the "Access" or "Books and Supplies" portion to outstanding balances on the student's account, or
 - b. Request personal receipt of the funds prior to disbursement
 - i. The recipient must understand they are responsible for any remaining balance on their account and have the ability to rescind option at any time.
 - c. The following text can be used by institutions to satisfy this requirement.

"Cal Grant awardees may elect to receive the full disbursement of their "Access" or "Book and Supplies" awards to use towards educational expenses instead of having it applied to any outstanding balances on the student's account. By choosing the first option, Cal Grant awardees are responsible to resolve any account balances with their institution. Cal Grant awardees have the ability to rescind option at any time (up to disbursement). Please see your financial aid office for more information."
- 3) Establish and maintain a written Institutional Refund Policy which includes the disposition of Cal Grant funds to include the following:
- a. Cal Grant funds may not be used for reimbursement to the federal government.
 - b. The Institution must return Cal Grant funds to the Commission before refunding any other funding sources other than refunds of federal Title IV program funds required by the return of federal Title IV funds regulations.

D. Reconciliation of Cal Grant Funds

- 1) Establish a written reconciliation policy that details the procedures for reconciling Cal Grant funds received and disbursed by the Institution for each award year.

2) Payment Period Reconciliation

- a. Institutions are required to reconcile payments no later than sixty (60) calendar days after the end of the payment period.
- b. Reconciliation does not preclude adjustments or payments after that date.

3) Final Reconciliation

- a. All Cal Grant funds must be properly recorded and allocated to the appropriate award year for which the funds were advanced and disbursed.
- b. Institutions shall reconcile all award year Cal Grant funds received and disbursed by the Institution no later than the month of September following the award year or an earlier final processing date as directed by the Commission.
- c. The final reconciliation of Cal Grant expenditures is to be on a student-by-student basis for the payment period and award year.
- d. Upon final award year reconciliation by the Institution, the Institution may, at any time prior to invoicing, repay any Cal Grant funds in excess of the reconciled amount to the Commission.
- e. Upon final reconciliation by the Commission, if the Institution has any outstanding balances, the Institution shall be invoiced for those funds. The invoice shall be due and payable to the Commission within thirty (30) calendar days of the invoice date. The Institution agrees to resolve any reconciliation discrepancies with the Commission.
- f. Any excess or undisbursed Cal Grant funds must be returned to the Commission upon final reconciliation or invoicing of the award year.
- g. Cal Grant awards must be disbursed for the fiscal year appropriated based on the budget act of that fiscal year. Therefore, excess funds must be returned to the Commission.
- h. Participating Institutions shall agree to pay any institutional liability determined as a result of a program compliance review within the time specified in the program review report.
- i. Liability to the Commission for the Institution's actions or omissions under this Agreement shall not exceed the actual amount of Cal Grant funds the Institution is not entitled to retain.
- j. Failure by the Institution to return Cal Grant funds the Institution is ineligible to retain, after all appeals are exhausted or settled, may constitute noncompliance, and may result in the termination of this Agreement and participation in the Cal Grant Program.

E. The Institution shall electronically submit annual College Cost Estimate to the

Commission by the deadline specified.

ARTICLE V – CAL GRANT PROGRAM ADMINISTRATION – COMMISSION’S RESPONSIBILITIES

- A. Maintain the Grant Delivery System (GDS).
- B. Maintain the WebGrants System.
- C. Maintain the WebGrants for Students System.
- D. Make a preliminary determination of an applicant’s eligibility for a Cal Grant award by evaluating the applicant’s financial information and program specific data as provided on the Free Application for Federal Student Aid (FAFSA)/California Dream Act Application (CADAA) or ISIR/Cal ISIR, the verified Grade Point Average (GPA), and any other selection criteria and forms used to determine Cal Grant Program eligibility.
- E. Act as the central repository of high school graduation confirmation received from a variety of sources, placing all new high school Entitlement participants on hold until receipt of confirmation the student is, in fact, a high school graduate or the equivalent. (This does not absolve Institutions of the requirement under Article IV, Section B to resolve conflicting information.)
- F. Make a preliminary determination that Community College Transfer Entitlement Award recipients are residents of California at the time of high school graduation or its equivalent through use of a student self-certification under penalty of perjury. [CEC § 69436 (d)(3)(A); Title 5 CCR § 30002]
- G. Provide the Institution with information, training, and ongoing assistance with respect to the Institution’s participation in the administration of the Cal Grant Program and consult with the financial aid community on a regular basis or as needed.
- H. Develop forms, publications, and training curriculum for use in administering the Cal Grant Program in consultation with students, parents, high school counselors, financial aid administrators, and other stakeholders on a regular basis or as needed.
- I. Provide electronic data files and Grant Rosters to the Institution of potentially eligible recipients that include names, unique identifiers, and payment amounts.
- J. Provide the Institution with procedures for completing payment transactions.
- K. Notify the Institution of accepted and rejected payment transactions.
- L. Reconcile accepted payment transactions.
- M. Provide the State Controller’s Office with the documentation needed to issue Electronic Funds Transfer (EFT) or mail warrants for payment to the Institution.
- N. Provide the Institution with updated electronic data and Grant Rosters identifying reconciled payments. Invoice the Institution for funds due to the Commission as a result of the final reconciliation process and notify the Institution if funds will be withheld

pending the return of delinquent repayments.

- O. Notify and instruct the Institution of any Cal Grant Program changes due to statute and/or procedure through GOMs and GSAs posted publicly on the Commission website and distributed through the Commission’s email Listserv.
- P. Perform program review of the Institution’s management of Cal Grant funds for compliance with federal and state law and regulations and this Agreement.
- Q. Certify by November 1 of each year the Institution’s latest three (3) year cohort default rate (CDR) and graduation rate (GR) as most recently reported by the U.S. Department of Education. [CEC § 69432.7(l)(3); Title 5 CCR § 30009 and § 30046]
- R. Notify an Institution that does not meet the advance payments requirement that future Cal Grant advances will cease and payment requests will be made through the supplemental payment process. [CEC § 69432.8]
- S. Develop and maintain a Cal Grant Program Handbook that will guide financial aid staff in the administration of the Cal Grant Program. Procedural updates will occur on a regular basis or as needed.

ARTICLE VI – CAL GRANT PROGRAM ADMINISTRATION – INFORMATION SECURITY

The information security components of this Agreement are to control access to the Commission’s information systems, programs and applications, data, network, and data exchanged with the Institution, as well as require certain levels of information security and privacy compliance for Institutions that access, retrieve, store, use, modify, or delete Commission data per Federal Trade Commission (FTC) Safeguards Rule. The Safeguards Rule requires financial institutions under the FTC’s jurisdiction to implement measures to keep customer information secure and to ensure their affiliates and service providers also safeguard customer information in their care. For purposes of this Agreement, all non-public personal information, Personally Identifying Information (PII) and financial information shall be identified as “confidential information.”

A. Information Security – Institutional Responsibilities

The Institution will comply with all applicable federal, state, and local information security, confidentiality and privacy laws and regulations, Commission policies and requirements pertaining to the proper access, creation, modification, handling, storage, transfer, transmission, dissemination, sharing or destruction of confidential information maintained on WebGrants and/or pertaining to the Commission information systems, programs and applications, data, network, and its program applicants and/or recipients.

The Institution will additionally abide by the following requirements as a condition of access to the Commission’s information systems, programs and applications, data, and network. The Commission reserves the right to monitor or revoke access to the Commission’s information systems, programs and applications, data, and network by the Institution or individual staff member(s).

B. Institution's Administrative Authorization for Access and Roles/Responsibilities

- 1) The Institution will maintain a historical record that identifies to the Commission the Institution's employees or agents with access to the Commission's information systems, programs and applications, data, and network or who creates or updates WebGrants transactions with the Commission's data for three (3) years following the last day of the award year.
- 2) The Institution will ensure all Institution employees or agents who require WebGrants access will sign a WebGrants Access Request form prior to being granted access to WebGrants. Such access will be granted for a period of time not to exceed two (2) years and shall be granted or renewed upon completion of either a biannual Commission-supplied or Institutional-supplied training in areas of information security, privacy, and confidentiality. Copies of this documentation shall remain at the Institution.
- 3) The Institution will designate a single individual as the Authorized Official (AO), who will then designate a maximum of two (2) other individuals as the Institution's System Administrator(s) (SA). The Institution's SA(s) will create or disable individual user accounts for that Institution's employees or agents to access the Commission's information systems, programs and applications, data, and network. The AO shall not have authorization to access WebGrants.
- 4) The SA(s) will be required to submit a WebGrants Access Request – System Administrator form to the Commission before access to the Commission's information systems, programs and applications, data, and network is granted. If the AO and SA(s) are different at each Institution location (campus), separate WebGrants Access Request – System Administrator form(s) must be completed and sent to the Commission. Copies of this documentation shall also remain at the Institution.
- 5) The WebGrants Access Request – System Administrator form must be renewed biannually. SA(s) will lose access to the Commission's information systems, programs and applications, data, and network if the institution does not submit the WebGrants Access Request – System Administrator form before the effective end date. Users will submit the WebGrants Access Request form to their SA(s). Copies of this documentation shall also remain at the Institution.
- 6) Any change in the designation of the Institution's SA(s) will require a new WebGrants Access Request – System Administrator form be sent to the Commission immediately. This includes changes in employment status or duties that no longer require access to the Commission's information systems, programs and applications, data, and network. Copies of this documentation shall also remain at the Institution.
- 7) The Institution's SA(s) will immediately inactivate the Users WebGrants account by updating the Effective End Date of any employee or agent of the Institution whose change in employment status or duties no longer requires access to the Commission's information systems, programs and applications, data, and network. Copies of this documentation shall remain at the Institution.

C. Essential Practices in Promoting and Implementing Information Security

- 1) Passwords and user IDs are to be treated as confidential information. Employees or agents of the Institution shall not share passwords and IDs. Passwords will be changed on a regular basis, as required by the Commission.
- 2) Confidential Commission data or assets that are no longer required for use by the Institution, are not required for the Commission to conduct compliance reviews or are determined by the Commission to be subject to return or destruction, shall be returned or destroyed in a secure manner, ensuring no reconstruction or derivation of the data, media or materials is possible according to the California Civil Code Section 1798 et seq; Government Code Section 6250 et seq. and the State Accounting Manual (SAM) Chapter 5300.
- 3) The Institution shall establish training programs and acceptable use policies for Institution employees regarding information security, privacy, and confidentiality. These trainings shall include management of Commission data.
- 4) The Institution will establish and enforce policies to ensure Commission data and WebGrants access are conducted from secured systems on-site within the Institution, or via secure networks from offsite locations. Offsite locations shall have encrypted hard drives and storage devices and shall not provide a bridging capability from unsecured networks into Commission networks. Offsite access to WebGrants must be accessed through equipment authorized, owned, and managed by the Institution.
- 5) The Institution will notify the Commission immediately of any security, integrity or confidentiality incident(s) involving Commission data or network exposure by contacting the Commission's Information Security Officer (ISO) at iso@csac.ca.gov. Such incidents may include, but are not limited to unauthorized or accidental modification, destruction, disclosure, loss, or access to automated files and databases, as well as incidents involving loss, damage, or misuse of information assets. Such incidents shall be followed up with a written report of the incident, signed by the AO and the Institution's Chief Executive Officer and submitted to the Commission's ISO within ten (10) business days after the Institution's awareness of the incident.
- 6) No Commission data or assets shall be transferred to or shared by the Institution with any third party without express written permission by the Commission's ISO. Verification of individual data with the respective individual or their lawfully designated agent(s) is permissible.
- 7) To the extent authorized by law, the Institution will accept liability for any direct or consequential damages to the Commission, its network, or data, caused by the negligence or intentional misconduct of itself, its employees, or agents.
- 8) The Institution will ensure information transmitted electronically or otherwise to the Commission has been examined and is complete and accurate to the best of its knowledge.
- 9) No unencrypted email containing confidential data shall be sent to the

Commission.

- 10) All storage media or electronically transferred correspondence sent between the Institution and the Commission containing confidential data must be encrypted or transferred via an encrypted communications session. Passwords, decryption devices, or decryption methods required to access the data must be sent separately via a different communications method.

D. Information Security – Commission’s Responsibilities

The Commission will comply with all applicable federal, state and local information security, confidentiality and privacy laws, regulations, Commission policies and requirements pertaining to the proper access, creation, modification, handling, storage, transfer, transmission, dissemination, sharing or destruction of confidential information pertaining to the Institution.

- 1) Account changes submitted by the Institution will be reviewed, acknowledged, and incorporated in a timely fashion.
- 2) The Commission shall require passwords be changed on a regular basis.
- 3) The Commission shall issue periodic communications to address information security concerns.
- 4) The Commission will ensure information transmitted electronically or otherwise to the Institution has been examined and is complete and accurate to the best of its knowledge. No faxes or unencrypted email containing confidential data shall be sent to the Institution.
- 5) All correspondence transferred electronically or on storage media between the Commission and the Institution containing confidential data must be encrypted or transferred via an encrypted communications session. Passwords, decryption devices, or decryption methods required to access the data must be sent separately via a different communications method.
- 6) The Commission will periodically audit the security-related records of the Commission and the Institution to ensure proper levels of access to the Commission’s data and networks by proper individual(s) identified by the Institution are correct, current, and complete.

ARTICLE VII – CORRECTIVE MEASURES

- A. If the Commission determines, whether through a program compliance review or other inquiry, an Institution has failed to substantially comply with its obligations under this Agreement, the Commission may take action to implement corrective measures in an attempt to bring the Institution into compliance with this Agreement. Corrective measures which may be implemented include, but are not limited to:
 - 1) The Commission may require the Institution implement policy or procedural changes to ensure appropriate administration of Cal Grant Program and

protection of State funds.

- 2) The Commission may require the relevant Institution staff participate in, and complete training related to areas of noncompliance.
 - 3) The Commission may place the Institution on the At-Risk Reimbursement Program requiring submission of eligibility documentation (i.e., academic transcripts, award letter, account ledgers etc.).
 - 4) The Commission may withhold processing of future payment transactions for the Institution until the Institution corrects the underlying finding or issue, which necessitated the corrective measure.
 - 5) The Commission may withhold or stop term advances to the Institution for future terms or academic years.
- B. The Commission will provide the Institution written notice of its intent to impose one of these corrective measures thirty (30) calendar days prior to implementation of such action, unless the egregious nature of the violation of the Agreement warrants the Commission take immediate action to protect State funds. In that case, the Commission may take immediate action to stop any further transfer of State funds to the Institution during the pendency of any appeal by the Institution.
- C. The Institution shall be permitted to submit, and the Commission shall consider, a response to such notice, including any legal and factual reasons why such corrective measure should not be imposed. Such response shall be submitted within fifteen (15) calendar days of receipt of the Commission's written notice of its intent to impose such measure. The Commission has thirty (30) calendar days to consider the Institution's response to the notice. The Institution will be informed of the date, time, and location of the public meeting at which the Commission will discuss the Institution's response and the Commission's decision thereon. The Institution will be provided with an opportunity to address the Commission. Within five (5) business days following the meeting, the Commission will issue, in writing, to the Institution its final decision on the matter.
- D. The Commission may terminate an Institution's Agreement and thereby terminate the Institution's participation in the Cal Grant Program when all attempts to bring the Institution into compliance are unsuccessful.

ARTICLE VIII – AGREEMENT DURATION

This Agreement is effective when it is executed by the Commission. It supersedes any prior Agreements executed between the Commission and the Institution. Institutions must immediately notify the Commission if any of the following occur:

- A. The Agreement automatically terminates with any of the following occurrences:
 - 1) The Institution closes or stops providing eligible educational programs.
 - 2) The Institution's federal Program Participation Agreement is terminated.
 - 3) The Institution's accrediting agency has withdrawn its approval.

- 4) The Institution undergoes a change which results in one of the following:
 - a. A shift in control or any other significant change in the control of the Institution.
 - b. Change of ownership.
 - 5) The Institution or additional location(s) no longer possesses all of the requirements or fails to meet the definition of a qualifying Institution. [CEC §69432.7(l)(1); Title 5 CCR § 30009]
 - 6) The Institution's President/Chief Executive Officer/Chancellor requests termination of this Agreement in writing.
 - 7) After June 30, 2027.
- B. The Commission may terminate this Agreement for the following reasons, including but not limited to:
- 1) The Institution does not demonstrate it has the administrative capability to participate in the Cal Grant Program.
 - 2) The Institution does not demonstrate financial stability.
 - 3) The Institution has not returned Cal Grant funds as required by a program compliance review or by an outstanding invoice within the required period.
 - 4) The Institution fails to comply with the terms of this Agreement and all attempts to bring the program into compliance have failed.

ARTICLE IX - CERTIFICATION

As President/Chief Executive Officer/Chancellor of this Institution, I agree this Institution and its Additional Location(s) (if any) will comply with all state and federal statutes, regulations, and rules applicable under this Agreement.

Name and Address of Main Campus: (may be in a state other than California and must have address listed)

OPE ID Number (must have -00 suffix)

Name(s), Address(es), and Phone Number(s) of Additional Location(s) included in this Agreement (attach additional pages if necessary):
(must be a California location, must have address, and must have an OPE-ID number)

OPE ID Number(s)

1. _____

2. _____

3. _____

4. _____

5.

6.

7.

8.

9.

10.

11.

Please indicate which of the following section(s) establish your Institution's eligibility to participate in the Cal Grant Program. Many Institutions' eligibility is established through Section 69432.7(l)(1)(A) of the CEC and Title 5 CCR § 30009.

If your Institution is seeking to establish eligibility through Section 69432.7(l)(1)(B) of the CEC, "10 percent rule," and Title 5 CCR § 30009, please complete the "Financial Statement and Demonstration of Administrative Capability to Participate in the Cal Grant Programs" form.

Check the box applicable to your institution:

FOR PRIVATE INSTITUTIONS

CEC Section 69432.7(l)(1)(A) states: "Qualifying Institution" means the following:

"A California private or independent postsecondary educational institution that participates in the Pell Grant Program and in at least two of the following federal student aid programs: (i) Federal Work-Study Program, (ii) Federal Stafford Loan Program, (iii) Federal Supplemental Educational Opportunity Grant Program."

Participation in the student aid programs means the Institution has applied for, been allocated funds, and is spending those funds. Participation in the Federal Pell Grant program means students are eligible to be paid Federal Pell Grant funds for attendance at the Institution.

This Institution meets the requirements of Section 69432.7(l)(1)(A) of the CEC

OR

This Institution meets the requirements of Section 69432.7(l)(1)(B) of the CEC

"A nonprofit institution headquartered and operating in California that certifies to the commission that ten (10) percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges."

FOR PUBLIC POST SECONDARY INSTITUTIONS

Section 69432.7(l)(1)(C) of the CEC states: "Qualifying Institution" means the following:

"A California public postsecondary educational Institution."

This Institution meets the requirements of Section 69432.7(l)(1)(C) of the CEC.

FOR ALL INSTITUTIONS

I certify the Institution is eligible to participate in the Cal Grant Program and will immediately notify the Commission if the Institution ceases to be eligible under Sections 69432.7(l)(1)(A), 69432.7(l)(1)(B), 69432.7(l)(1)(C) of the CEC, Title 5 CCR § 30009, or Article VI of this Agreement.

**Signature: President/Chief Executive Officer/Chancellor
of the Institution**

Date

Type or Print Name and Title

**Signature: Deputy Director, Program Administration and
Services Division, California Student Aid Commission**

Date

APPENDIX A – PROGRAM AND FISCAL RECORDS**Program and Fiscal Records include, but are not limited to:**

A. Student eligibility

- 1) Documentation of California residency
- 2) Financial Aid Application and all resolution documentation (ISIR/Cal ISIR)
- 3) High school graduation verification or the equivalent
- 4) Need analysis and packaging information for each recipient to support financial need reported to Commission and to support final award package
- 5) Award notifications, full academic transcripts, Add/Drop status, satisfactory academic progress, and enrollment verification
- 6) Enrollment agreements (if applicable)
- 7) Declaration of academic major/program and program length
- 8) Cost of Attendance (Student Expense Budgets)
- 9) Documentation of Professional Judgment (if applicable)
- 10) Student Ledger (receipt of Cal Grant funds and all other financial aid received)
- 11) Citizenship status confirmation
- 12) Confirmation of CEC § 68130.5 status

B. Institution eligibility

- 1) The current authority to operate from the California Bureau for Private Postsecondary Education (if applicable)
- 2) An executed Institutional Participation Agreement
- 3) Cal Grant Program Review Survey
- 4) Eligibility and Certification Approval Report (ECAR)
- 5) College Cost Estimate Form
- 6) Institutional Contacts Form
- 7) System Administrators Access Request Form
- 8) Electronic Funds Transfer (EFT) Form
- 9) Proof of interest-bearing account documentation
- 10) A copy of the most recent Independent Auditor's Report on Financial Statements and Federal Student Financial Assistance (SFA) in Accordance with Uniform Guidance and the response to the reports

- 11) All applicable school catalogs, term academic calendars, and documentation describing course lengths
- 12) California License Exam Certification
- 13) Certification of Compliance with Education Code Section 67386 (Student Safety Policy)
- 14) Certification of Compliance with Education Code Section 66281.8 (Sex Equity in Education)
- 15) Title IX Exemption or California Equity in Higher Education Act CEC Section 66290.2 (if applicable)
- 16) Verification of Title IV Receipt of Funds (if applicable)
- 17) Verification of Title IV Disbursement to Student (If applicable)
- 18) Financial Statement and Demonstration of Administrative Capability Form (If applicable)
- 19) Written policies and procedures for the Institution's administration of Commission programs
- 20) The latest Fiscal Operation Report and Application to Participate (FISAP), Part VI, Section A (Program Summary for Award Year)
- 21) Audit and Program Review Reports (i.e. U.S. Department of Education accrediting agency)
- 22) Security Agreements and forms
- 23) The Institution's current organizational chart of administrative offices responsible for administering the Cal Grant Program
- 24) Verification of submission of Data Reporting (SB 70) requirements [CEC § 69433.2; Title 5 CCR § 30040]

C. Fiscal Administration

- 1) Detailed Cal Grant fund ledger(s) that show the deposit of Commission advances and disbursement of grant awards for the award year. Ledgers must contain a beginning and ending balance.
- 2) Bank statements identifying the deposit of Cal Grant advances for the award year. If Cal Grant deposits combined with other deposits, keep deposit slips detailing each item deposited.
- 3) Chart of accounts and financial aid account related codes
- 4) Individual student account ledgers
- 5) Documentation of Access and Book and Supply payments to individual Cal Grant recipients for the review period for the students in the sample (Access and Books and Supply authorization, check copies, EFT)

- 6) Accounting procedures necessary to explain the application or distribution of Cal Grant funds
- 7) Refund payments made to the Commission (i.e. invoices)
- 8) Earned interest payments made to the Commission and interest calculations in the determination