

<b>Policy Number</b>	125 000
<b>Policy Title</b>	<b>FEDERAL BAN ON INCENTIVE COMPENSATION FOR STUDENT RECRUITING ACTIVITIES OR THE AWARDING OF FEDERAL FINANCIAL AID</b>
<b>Responsible Officer</b>	Director of Undergraduate Admissions
<b>Responsible Office</b>	Admissions Office
<b>Approving Body</b>	Academic Council; Administrative Council
<b>Approval Date</b>	124.000 Aca C (05.28.21); Admin C (03.17.2021)
<b>Last Revision</b>	
<b>Re-evaluation Date</b>	Fall 2022
<b>Departmental Impact</b>	All CIU

*Failure to follow the following policy may result in disciplinary action, including termination of employment.*

### Policy Statement

Columbia International University prohibits the award of any commission, bonus or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid, to any person or entity who is engaged in any student recruitment or admission activity, or in making decisions regarding the award of Title IV, Higher Education Act (HEA) program funds.

### Rationale

This policy is intended to ensure compliance with the adherence to Section 487 (a)(20) of the HEA which prohibits the Institute from providing incentive compensation to employees or third party entities for their success in securing student enrollments or the awarding of Title IV HEA program funds.

This strict ban on providing incentive compensation for performing these activities is part of a larger set of Program Integrity Rules issued by the Department of Education (DOE) in 2010 with an effective date July 1, 2011. These rules cover a broad array of issues intended to promote integrity in higher education programs by protecting students as consumers and by stemming perceived abuses of Title IV program funds perpetuated by a minority of institutions, mainly for-profit schools and other entities. The rules apply to all Title IV eligible institutions.

### Policy Procedures

#### IMPLEMENTATION/PROCEDURES

Columbia International University prohibits the award of any commission, bonus or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid. Use the following procedure to determine whether payments are prohibited:

1. Determine whether any of your staff, faculty or outside consultants or entities are being (or will be) paid “incentive” compensation. **Incentive compensation** includes commissions, bonus payments, merit salary adjustments, and promotion decisions. Payments made to recruiters based on student academic performance is considered incentive compensation.
  1. If no, then your analysis is complete and these rules are not applicable.
  2. If yes, go to Step 2.
2. For any individual or third party that you answered “yes” to Step 1, determine whether the payment of incentive compensation, or any part thereof, is directly or indirectly based upon, either:
  1. The person or entity’s success in securing enrollments which is defined as the recruiting or admissions activities related to success in securing student enrollments for any period of time, or
  2. A person or entity’s involvement in making decisions regarding the awarding of financial aid in Title IV HEA programs.
    1. If no, the payment is permissible and your analysis is complete.

2. If yes, the payment is prohibited under the Program Integrity Rules, and the Institute must immediately take steps to cease any incentive payment.

Some examples of covered activities for which incentive compensation is prohibited include, but are not limited to:

- Recruitment information targeted to **individuals**
- Recruiting solicitations to **individuals**
- Contacting prospective students
- Making student enrollment or Title IV aid decisions
- Aiding students in completing enrollment applications
- Completing financial aid applications on behalf of prospective students
- Graduation/completion rates, retention rates, diversity numbers
- Revenue related to enrollments and/or financial aid

Some examples of covered activities for which incentive compensation is acceptable include, but are not limited to:

- Successful season
- GPA and other measures of academic performance
- Student satisfaction
- Website hits
- Attendance at open houses
- General discussions with prospective students about the value of education and the institution.

When you conduct your analysis be aware that the rules do not restrict the following types of payments:

- Cost of living adjustments to a fixed salary or wage
- Payments to faculty based upon student class size or academic achievement and/or
- Compensation adjustments to a fixed salary or wage based on seniority or other qualitative factors that are not related to securing enrollments or financial aid.

Examples of activities that are exempt from the ban on incentive compensation as long as the employee is not also engaged in covered activities include:

- Advertising or marketing activities that provide college or program information to the public or groups of potential students,
- Collecting contact information, and
- Providing student support services after the disbursement of financial aid such as career counseling, tutoring, online course support.

**Remember that only incentive compensation payments made to individuals for the covered activities are subject to the ban.**

#### *Individuals Governed by This Policy*

These rules apply to positions performing the restricted activities. Certain University departments such as Admissions Offices or Student Financial Services will have a number of employees subject to the ban since these departments typically perform covered activities. These restrictions may apply to higher-level employees with responsibilities for the covered activities.

Additionally, these rules apply to ANY employee in any department that is directly engaged in recruiting students. Employees may not be compensated based on their success in enrolling students. Special care should be taken when reviewing the performance of employees that may perform recruiting activities as a nominal part of their work to ensure that compensation decisions are not made in relation to the success of these activities in securing student enrollment.

**Do these rules apply to Athletics personnel?**

Yes, the recruitment of student athletes is “not different from the recruitment of other students” however, bonus or other incentive payments to athletic personnel are typically permitted for successful athletic programs including compensation for a successful athletic season but not student athlete enrollment, retention or graduation rates.

**What about agreements with third party vendors?**

These restrictions extend to payments to third party entities; however, specific rules may apply if a vendor is providing bundled activities that include covered as well as other activities. Please review third party agreements to ensure they do not include incentivized payments for the covered activities and request assistance from Office of General Counsel before authorizing any third party agreements that may contain these activities.

*Sanctions*

Violation of University policies, including the failure to avoid a prohibited activity or obtain required approvals, will be dealt with in accordance with applicable University policies and procedures. These may include disciplinary actions up to and including termination from the Institute.

**Hyperlinks**

[www.ciu.edu/policy](http://www.ciu.edu/policy)