



NATIONAL DEVELOPMENT OFFICE
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Revision of College Work-Study Program Manual

The U. S. Office of Education has issued a set of new pages for the 1968 College Work-Study Program Manual, replacing those sections which have been affected by the 1968 Higher Education Amendments and the new College Work-Study Program Regulations (45 CFR 175), copies of which were recently distributed.

We direct your attention to the new Section 104 (D) (2) which stiffens the institutional maintenance of effort requirement. The use of CWSP funds must, as of July 1, 1969, be used to expand an institution's financial aid program.

The revised Section 607 sets forth more detailed information on program audit procedures. Where the Urban Corps is the fiscal agent for the participating colleges, it is suggested that a copy of the official Audit Guides be obtained from the appropriate Regional Auditor as noted at the end of Section 607.

The revised "Model Off-Campus Agreement" includes several new sections which clarify the position of an Urban Corps as the employer and paymaster. This form of agreement may be used interchangeably with that recommended in the Urban Corps National Development Office report on "Urban Corps-College Contractual Arrangements (Doc. No. 3).

Additional copies of the CWSP Manual and the Regulations may be obtained upon request from this office or directly from the College Work-Study Program Branch, Bureau of Higher Education, U.S. Office of Education, Washington, D. C. 20202.

SUPPLEMENT #1 (May 1969) to the

COLLEGE WORK-STUDY PROGRAM MANUAL, 1968

Materials in this supplement include:

- (1) Replacement pages for Pages 1-3, 6-3, and 6-7.
- (2) Replacement for Appendix 1 - Legislation.
- (3) New Material. Appendix 2 - College Work-Study Program Regulations as printed in the May 13, 1969 Federal Register.
- (4) New Material. Appendix 7 - Model Off-Campus Agreement Form.

D. Fulfillment of Financial Requirements of Participation

An institution participating in the College Work-Study Program should be fully aware of the following financial responsibilities which it accepts upon entering the program.

1. Effective August 20, 1968, the law provides that the Federal share of the compensation of students employed in the College Work-Study Program cannot exceed 80%, except that in certain circumstances to be established by regulation, a Federal share in excess of 80% may be approved by the Commissioner. From the inception of the program to August 19, 1967, the Federal share of the compensation of students employed in the College Work-Study Program could not exceed 90%. From August 20, 1967 to August 19, 1968, the maximum Federal share was 85%.

A participating institution is responsible for ensuring that the remaining share, which is referred to as the institutional share, is contributed promptly in conjunction with payroll disbursements,

(Section 603 contains a further discussion of the institutional and Federal shares of student compensation.)

2. An institution participating in the College Work-Study Program is required, under Section 444(a)(5) of the law, to maintain its own efforts in the areas of student employment and student financial aid.

From the inception of the program through fiscal year 1969 (ending June 30, 1969), the Federal funds made available to an institution for a College Work-Study Program must be used to expand student employment expenditures beyond those which the institution provided in its own student employment program prior to its entry into the College Work-Study Program. (Section 602 contains specific information with regard to the level of student employment expenditures which must be maintained.)

After July 1, 1969, and for fiscal years ending on or after June 30, 1970, the Federal funds made available to an institution for a College Work-Study Program must be used to expand student financial aid expenditures beyond those which the institution provided in its own student financial aid program prior to fiscal year 1970, or to its entry into the College Work-Study Program, whichever is later. (Section 602 will be revised at a later date.)

An institution's first point of contact on any matter affecting the program should be the Regional Office for the area in which the institution is located. The addresses and telephone numbers of the nine Regional Offices of the Office of Education are listed in Appendix 4.

The Regional Office student financial aid staff assists the institution with program development and operational problems, makes recommendations on the institution's application for funds, conducts on-site program reviews, and generally provides assistance to college personnel on an individual basis. In addition, the regional audit staff of the Department of Health, Education, and Welfare arranges for periodic audits of the College Work-Study Program. (Section 607 contains additional details about program audits.)

The College Work-Study Branch, Division of Student Financial Aid in Washington is responsible for the general administration of the program, including the development of policy and program materials, final award of grants, and review of fiscal and operations reports. The titles and telephone numbers of the Washington office personnel are listed in Appendix 4.

603 Federal and Institutional Shares of Student Compensation

Effective August 20, 1968, the law provides that the Federal share of the compensation of students employed in the College Work-Study Program cannot exceed 80%, except that in certain circumstances to be established by regulation, a Federal share in excess of 80% may be approved by the Commissioner. From the inception of the program to August 19, 1967, the Federal share of the compensation of students employed in the College Work-Study Program could not exceed 90%. From August 20, 1967 to August 19, 1968, the maximum Federal share was 85%.

The institutional share of each student's gross compensation, whether provided in cash or otherwise, (see section 605 for a discussion of noncash payments) must equal at least 20%. The institutional share must be contributed promptly in conjunction with payroll disbursements.

All disbursements of compensation of students under the program must be in the proper Federal/institutional share. This requirement holds true regardless of the source of the institutional share. (See Section 604.) In cases where students are working under an agreement entered into between the institution and a public or private nonprofit agency, the agreement should specify the extent to which the agency will bear the cost of such contributions.

Communications, including telephone toll calls, telegrams, and similar items, may be charged when such communications are directly related to the conduct of the off-campus phase of the program. Employee travel necessary to the conduct of the off-campus activities should be computed and charged according to the institution's own regulations governing employee travel expense.

607 Program Audit

Unlike the National Defense Student Loan Fund, which is a revolving trust fund, Federal College Work-Study funds are accounted for by 6-month grant periods. All records pertaining to program management and fiscal control during a given fiscal year must be retained by the institution for a period of five years following the end of the fiscal year, or until audited by the Department of Health, Education, and Welfare Audit Agency or its authorized representative, whichever is earlier. Records involved in any claim or expenditure questioned by the Commissioner, or on audit, must be retained until necessary adjustments have been reviewed and approved by the Commissioner.

Under the Fair Labor Standards Act of 1938, as amended, the Department of Labor requires the retention of records. Employers are required to keep records on wages, hours, and other items listed in the record-keeping regulations, 29 CFR Part 516. No particular form of records is requested. Records must be retained at least three years. (This record retention period is separate and apart from that required in the preceding paragraph.) Contact the nearest Office of the Wage and Hour and Public Contracts Divisions, listed in Appendix 8, for more specific information.

When the College Work-Study Program at an institution is audited, the objectives of an audit will be to determine whether the institution:

1. has met the requirements of the applicable laws and regulations in establishing the College Work-Study Program;
2. has established adequate systems of internal control, accounting, and reporting, and has exercised suitable controls in the operation of and accounting for the funds provided for the program; and
3. has established and is following policies and procedures to ensure that the funds provided are being used only for the purposes set forth in the institution's agreement with the Commissioner and that the policies and procedures conform with the applicable laws and regulations.

Since independent auditors, such as a State auditor or an institution's own Certified Public Accounting firm, may be authorized to perform audits of the College Work-Study Program, institutions are encouraged

to schedule annual audits of their programs. Certified or Licensed Public Accountants may obtain a copy of the College Work-Study Program Audit Guides from the Department of Health, Education, and Welfare Regional Auditor at the addresses listed in Appendix 4. The expense, if any, of such an audit is properly chargeable to the administrative expense allowance discussed in Section 606.

APPENDIX 1

Higher Education Act of 1965 (P.L. 89-329) Title IV, Part C, as amended

Part C--Work-Study Programs

Statement of Purpose; Appropriations Authorized

Sec. 441. (a) The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in eligible institutions who are in need of the earnings from such employment to pursue courses of study at such institutions.

(b) There are authorized to be appropriated \$225,000,000 for the fiscal year ending June 30, 1969, \$255,000,000 for the fiscal year ending June 30, 1970, and \$285,000,000 for the fiscal year ending June 30, 1971, to carry out this part.

Allotments to States

Sec. 442. (a) From the sums appropriated to carry out this part for a fiscal year, the Commissioner shall (1) allot not to exceed 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part, and (2) reserve the amount provided by subsection (e). The remainder of such sums shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection--

(1) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States.

(2) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such

one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an eligible institution under section 443 at the end of the fiscal year for which appropriated shall be reallotted by the Commissioner in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 443 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

(e) From the appropriation for this part for each fiscal year the Commissioner shall reserve an amount to provide work-study assistance to students who reside in, but who attend eligible institutions outside of, American Samoa or the Trust Territory of the Pacific Islands. The amount so reserved shall be allotted to eligible institutions and shall be available only for the purpose of providing work-study assistance to such students.

Grants for Work-Study Programs

Sec. 443. (a) The Commissioner is authorized to enter into agreements with eligible institutions under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

(b) For the purposes of this part the term "eligible institution" means an institution of higher education (as defined in section 435(b) of this Act), or an area vocational school (as defined in section 8(2) of the Vocational Education Act of 1963). 1/

Conditions of Agreements

Sec. 444. (a) An agreement entered into pursuant to section 443 shall--

(1) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself^{2/} or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work--

(A) will not result in the displacement of employed workers or impair existing contracts for services,

(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

(C) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;

(2) provide that funds granted an eligible institution pursuant to section 443 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Commissioner to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;^{3/}

(3) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from such employment in order to pursue a course of study at such institution, (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(4) provide that the average hours of employment of a student under such work-study program, shall not exceed fifteen per week over a semester, or other term used by the institution in awarding credits, during which the student is enrolled in classes;

(5) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;^{4/}

(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;

(7) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(8) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

(b) An agreement entered into pursuant to section 443 with an area vocational school shall contain, in addition to the provisions described in subsection (a) of this section, a provision that a student in such a school shall be eligible to participate in a program under this part only if he (1) has a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate, and (2) is pursuing a program of education or training which requires at least six months to complete and is designed to prepare the student for gainful employment in a recognized occupation.

(c) For purposes of paragraph (4) of subsection (a) of this section, in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of non-regular enrollment. Employment under a work-study program during

any such period of non-regular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner.

Sources of Matching Funds

Sec. 445. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part, and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution.

Equitable Distribution of Assistance

Sec. 446. The Commissioner shall establish criteria designed to achieve such distribution of assistance under this part among eligible institutions within a State as will most effectively carry out the purposes of this Act.

1/Effective for fiscal years ending on or after June 30, 1970, this paragraph has been amended to read as follows:

"(b) For the purposes of this part the term 'eligible institution' means an institution of higher education (as defined in section 435(b) of this Act), an area vocational school (as defined in section 8(2) of the Vocational Education Act of 1963), or a proprietary institution of higher education (as defined in section 461(b) of this Act)."

2/Effective for fiscal years ending on or after June 30, 1970, section 444(a)(1) has been amended by inserting after "work for the institution itself" the following: "(except in the case of a proprietary institution of higher education),".

3/Effective for fiscal years ending on or after June 30, 1970, this paragraph has been amended to read as follows:

"(2) provide that funds granted an eligible institution pursuant to section 443 may be used only to make payments to students participating in work-study programs, except that an

institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 463 of this Act;"

(Section 463 reads as follows:)

"Expenses of Administration

"Sec. 463. (a) An institution which has entered into an agreement with the Commissioner under part A or C of this title shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to 3 per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A plus (B) its expenditures during such fiscal year under part C for compensation of students.

"(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 204(b) of the National Defense Education Act of 1958 may not exceed \$125,000."

4/Effective for fiscal years ending on or after June 30, 1970, this paragraph has been amended to read as follows:

"(5) provide that the institution will meet the requirements of section 464 of this Act (relating to maintenance of effort);"

(Section 464 reads as follows:)

"Maintenance of Effort

"Sec. 464. An agreement between the Commissioner and an institution under part A or part C shall provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under such parts, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement."