Journal of Student Financial Aid

Volume 7 | Issue 3   Article 5

12-1-1977

Efficiency and Accountability: A Computer Assisted Financial Aid Operation for the Small College

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EFFICIENCY AND ACCOUNTABILITY:
A COMPUTER ASSISTED FINANCIAL AID
# OPERATION FOR THE SMALL COLLEGE

By Michael Pernal

One of the major problems pressing upon financial aid officers concerns the proper administration of the various programs. Federal, state, and private funding sources are particularly interested in insuring that recipient institutions maintain adquate records while expeditiously processing student applications. Such problems have grown particularly acute for smaller colleges which ordinarily maintain offices staffed by only one or two professional administrators.

With the proliferation of regulations and consequent administrative record-keeping, financial aid professionals on smaller campuses are hard pressed to manage programs in accordance with mandated guidelines. When increased amounts of time are devoted to bookkeeping and clerical functions, aid officers find it difficult to maintain adequate contact with students, work on the development of innovative ideas, or techniques, and develop research schemes. In short, the level of professionalism of smaller aid offices stands to suffer if either (1) methods are not developed to save time and increase efficiency or (2) staffs are not increased.

One way of freeing up the time of financial aid officers for more professional use of their services is through the development of computer-assisted systems for packaging, awarding, and reporting of financial aid programs. It is presently true that most large institutions of higher education have developed computer programs to handle the enormous volume of data involved with operating aid programs. For the most part, however, few small colleges have had the opportunity to implement such capabilities.

The fact is that smaller institutions (with enrollments under 5,000) can maintain computer-assisted record keeping where tie-in is possible with institutional
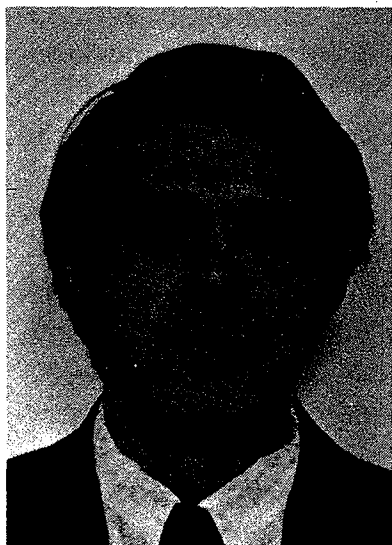
Since July, 1977, Michael Pernal has been Dean of Personnel Administration at Eastern Connecticut State College. From 1973 until his new appointment, he served as Director of Financial Aid there.

data centers or where computer capabilities are shared with neighboring colleges. The contention here is that the expertise exists on campuses today and should be utilized to improve the management of financial aid offices and allow the aid professional more time to work with students, develop innovative ideas, explore research possibilities, and coordinate his or her efforts with other administrative offices in his institution.

A Proposed Model

This paper will present an outline of a computer-assisted financial aid system currently in operation at Eastern Connecticut State College (2,000 enrolled students; 860 aid recipients) as an example of how a data system can be utilized on a small campus. The system can function with an institutional computer containing a capacity of 65,000 bites of core memory and one shared with other systems serving all other campus administrative offices. Eastern Connecticut State College presently utilizes a Burroughs 1714 model although the financial aid program was originally functional with hardware of far less capability. While this system was not designed to perform needs analysis, it has cut the workload of financial aid personnel in other areas to the point where manual computation of late and special case applications can readily be accommodated. The system at Eastern requires only three days maximum turn-around time and furnishes data assistance from the packaging phase through the completion of federal reports. The actual system was designed by a financial aid officer who had absolutely no computer training and the program was written by a graduate of the college who began the project as part of a work-study assignment and completed the task while hired after commencement as a computer operator. Thus, the system can be tailor-made to any financial aid officer's specifications by any competent computer analyst in less than six months.

First Phase — Getting Started

In its initial phase, the development of a computer-assisted program will involve a modest investment in terms of time by the aid officer. Essentially all that is required is a firm knowledge of what the officer wants the program to do. Therefore, the aid officer should develop a chronological listing of services that the program is expected to provide. At Eastern, the following list was developed and is presented as a sample:

1. *Information to be given to students* — an award letter containing name, address, budget, family contribution, need, awards divided by semester and totaled, and general information;

2. *Information to be stored and calculated* — all information provided to the student, social security number, racial background, gross parental income, class, sex, residence status, total of funds spent in each award category by semester, and calculation of funds spent by award, race and gross income category;

3. *Information to be given the aid officer* — an alphabetized roster of recipients with a indication of awards granted and totaled for federal programs, a similar roster for state, institutional, and private awards, and an accounting of funds spent, by program, according to requirements of the federal Fiscal-Operations Report.

Following the establishment of such a list, the aid officer should schedule a series of meetings with a programmer analyst to discuss implementation of the

system. At Eastern, aid personnel had to be careful to insure that the programmer completely understood what was being requested. Once the implementation plan was adopted, little else was required of the aid officer than the occasional clarification of questions raised by the programmer.

At this point, the programmer should be able to develop a pilot program which can be reviewed by the aid officer to insure that output is consistent with the needs presented. At Eastern, the initial program was developed with ten fictitious cases, and all de-bugging took place in this pilot stage. In the paragraphs which follow, sample forms will be presented to illustrate how the system met the various needs defined by the financial aid office at Eastern.

Second Phase — The Worksheet

Figure 1 presents an example of the worksheet which is the basic data initiator of the program. After examining the Parent's Confidential Statement or other needs analysis document, the financial aid officer completes the information at the top of each sheet and packages an award for the applicant. At Eastern, sixteen specific aid programs are offered, and a seventeenth entry, private scholarships, lumps all external awards into a single category. The worksheet, therefore, contains individual entries for all federal (1-4), state (5-13), and institutional (14-16) awards available to students at the institution.

An important feature of the worksheet is its accumulation of data required for the compilation of federal, state, and institutional reports. Data for these reports are entered at the time awards are made by the aid officer who circles items in the five data categories listed at the top right of the sheet (C - Class; D-Domicle, in-state or out-of-state; S - Sex; R - Race in accordance with categories required on federal reports; and G - Gross parental income in accordance with categories required on federal reports). In the G Column, the number #7 indicates self-supporting student and #8 represents graduate students.

The example illustrated in Figure 1 pertains to a freshman named Karen. An original award was submitted on a worksheet and entries were recorded pertaining to her name, address, social security number, informational data, budget, contribution, and awards. Certain awards, the Supplemental Educational Opportunity Grant (SEOG) for example, were further broken down into initial year and renewal year categories. Karen's original award consisted of no College Work Study (CWSP) but contained a National Direct Student Loan (NDSL) of $400. Figure 1 illustrates a case where a revision was granted after the student requested a campus work assignment and a reduction of her loan. The circled entries represent the changes and alerted key punchers to ignore data for which no changes were made.

Thus, submission of the worksheet triggers a system which stores all information on students and their awards, makes mathematical computations, and generates a financial aid award letter. When Karen completes her work-study assignment, another revision will be made updating her award to include her gross earnings for the academic year and reflecting her actual, official award. The deactivation box is checked if a student rejects the original financial aid package or elects not to enroll. Submission of a deactivation worksheet totally eliminates a student's record from the file.

Figure No. 1

AWARD WORKSHEET

☐ New
☒ Revision
☐ Revision & Close-out
☐ Deactivate

C ① 2 3 4
D ① 2
S 1 ②
R 1 2 3 4 ⑤
G 1 2 ③ 4 5 6 7 8

NAME KAREN X XXXXXX   Soc. Sec. No. 000 00 0000   Date ....

ADDRESS ....

| | (No. and Street) | (City and State) | (Zip Code) |

	Summer	Fall	Spring	Total		
Estimated Budget	—	1200	1200	2400	1790	
Family Contribution	—	305	305	610	(need)	
TYPE OF AWARD						
1. Basic Educational Opp. Grant	—	188	188	376		
2. Supplemental Ed. Opp. Grant	—	100	100	200	①	R
3. National Direct Student Loan	—	200	⓪	⑳⓪	①	R
4. College Work-Study Program	—	—	⑳⓪	⑳⓪	⑦ hrs. at $2.40	
5. Restricted Educational Grant	—	—	—	—	I	R
6. Conn. Higher Ed. Grant	—	—	—	—		
7. College Continuation Grant/SSIG	—	—	—	—		
8. State Scholarship (CEEB)	—	—	—	—		
9. Commission for H.E. Grant	—	—	—	—		
10. State Work Study Program	—	—	—	—	...... hrs. at $........	
11. Student Work Program (General)	—	—	—	—	...... hrs. at $........	
12. Student Work Program (Auxiliary)	—	—	—	—	...... hrs. at $........	
13. Connecticut Tuition Waiver	—	195	195	390		
14. Shafer-Noble Scholarship	—	—	—	—		
15. ECSC Traffic Fine Scholarship	—	—	—	—		
16. ECSC Vending Scholarship	—	—	—	—		
17. Private Scholarships	—	—	—	—		
TOTAL	—	—	—	—		

Third Phase — The Award Letter

Submission of the worksheet for Karen generates a five-copy award letter which completely eliminates the need for financial aid office personnel to type such a complicated document. In addition, the system totals awards for both semesters and for the academic year and includes instructions for correct processing of the award by the student. The student is mailed three copies of the letter along with a mimeographed copy of instructions and appropriate affidavits. One copy is retained by the aid office, and another is sent to the business office. The revised award letter for Karen (Figure 2) supersedes any previous award letters, and a window envelope format is used to eliminate the necessity of additional typing. The student is further instructed on how to use copies of his or her award letter in lieu of making cash payments to the business office for fee bills.

Besides generating an award letter to students, the worksheet also triggers the printing of two alphabetical rosters of financial aid recipients. One roster consists solely of federal awards (Figure 3) while a second (not illustrated here) includes the state, institutional, and private programs. The federal roster is discussed here because of its implications for reporting to the Office of Education.

The roster lists students by social security number and full name (omitted from illustration). In Karen's case, a listing of her federal awards appears on Line 17 of Figure 3. Her Connecticut tuition waiver appears on the state and institutional roster. The CDSRG categories are displayed and awards are entered by type. SEOG and NDSL programs are broken down further to identify initial year and renewal year.

MICHAEL PERNAL, FINANCIAL AID OFFICER
STATE OF CONNECTICUT
Eastern Connecticut State College
Willimantic, Connecticut 06226
Telephone 456-2231   Area Code 203

R E V I S I O N
February 11th, 1977

Dear Karen,

It is a pleasure to inform you of the following awards for the 1976-77 academic year.

	Summer	Fall	Spring	Total	
Estimated Budget		1200	1200	2400	
Family Contribution		305	305	610	Need 1790
Type of Award:					
Basic Ed. Op. Grant		188	188	376	
Supplemental Educational Op. Grant		100	100	200	I
National Direct Student Loan		200		200	I
College Work-Study Program			200	200	7 Hrs. at $2.45
Conn. Tuition Waiver		195	195	390	
Total		683	683	1366	

AWARD ACCEPTANCE

This is a package program and must be accepted or rejected as a total. If you wish to accept these awards, please indicate below, sign in the space provided, and sign the enclosed financial aid rules and regulations. Return the original copy of this letter and the rules and regulations to the financial aid office within two weeks of the above date. Failure to do so cancels this award.

I   do   do not   (circle one) accept these awards for the 1976-77 academic year.

Signature: Date:

DEDUCTION AUTHORIZATION

If you wish to apply the above awards or any revisions toward your fee payment, you must sign below and mail or present in person one copy of this letter with your bill(s) to the business office. Please remember that student work awards cannot be used toward fee payments.

I hereby authorize the Eastern Connecticut State College Business Office or Financial Aid Office to make deductions from any of the above awards and apply them toward payment of any outstanding college fees or liabilities that I might incur.

Signature: Date:

NAME	M	C	D	S	R	G	BEOG	SEOGI	SEOGR	NDSLI	NDSLR	CWSP	TRI TOTAL	TOT GRAND
Margaret	A	1	1	2	5	2	1088	350		250			600.00	1688.00
Bernhard		4	1	1	5	8						544.51	544.51	544.51
Diane		4	1	2	5	7				500			500.00	500.00
Cynthia	M	1	1	2	5	5	876							876.00
Anita	L	4	1	2	5	7		600		800			1400.00	1400.00
Samuel		1	1	1	4	5	1138	200		300		280.00	780.00	1918.00
Kathleen	M	2	1	2	5	5	976	400		150		320.00	870.00	1846.00
Karen		3	1	2	5	6		450					450.00	450.00
Suzannah	L	1	1	2	5	5	263							263.00
William	J	2	1	1	5	5	538	200		170			370.00	908.00
Dennis	S	4	1	1	5	7	1088			800			800.00	1688.00
David		3	1	1	5	6						152.78	152.78	152.78
Linda	M	3	1	2	5	7	1212	350		350		340.00	1040.00	2252.00
Patrick		4	1	1	5	7				500			500.00	500.00
Joseph		3	1	1	5	4	776							776.00
Jyl	M	4	1	2	5	7	1026			350			350.00	1376.00
KAREN	I	1	1	2	5	3	376	200		200		200.00	600.00	976.00
Catherine		2	2	2	5	6			700		500	605.00	1805.00	1605.00
Michael		2	2	1	1	3	1400				930	510.38	1440.38	2840.38
Evon	I	1	1	1	1	6	876	250		250			500.00	1376.00
Lauren	T	2	1	2	1	5	826				1250		1250.00	2076.00
Robert	C	1	1	1	5	2	513							513.00
Dwight		1	1	1	5	7				400			400.00	400.00
Edward		4	1	1	5	2	1212		450		100		550.00	1760.00

The program is designed to total campus-based federal aid and also to display a total of all federal awards granted to each student. In essence, the two rosters provide a convenient display from which aid personnel can review records and awards. The CWSP column is presented in dollars and cents to provide for accurate reporting of earnings when students complete work-study assignments. Each award revision submitted by the aid office updates this display roster and keeps information completely accurate.

Fifth Phase — Application of Financial Aid Awards to Fee Bills

In addition to printing a roster of financial aid recipients each time a revision is made, the system, based on billing input provided by the business office, displays (not illustrated here) a breakdown of charges made against financial aid awards for each semester. Those students who elect to credit fee bills with financial aid awards are recorded by the system as accounts receivable entries. As a result, both the financial aid and business offices are furnished the following data:

1. Amount of bill for each student
2. Amount of financial aid credited against the bill
3. Balance (if any) of financial aid due student

As a result of this system, the business office is spared the task of writing numerous checks for students who owe funds to the college. For example, a student with three or four different awards receives only one award check for any balance owed him or her by the college. While a number of colleges apply awards to bills in this manner, incorporation into the computer-assisted system eliminates the need for the manual application of aid to bills. Thus, such a system saves additional time for the college and further prevents the disbursement of checks that may later have to be recovered. It should be noted that this phase of the operation is completely optional and need not be included if a simpler system is desired. At Eastern, this phase was not part of the original system but was added as a refinement.

Sixth Phase — Collection of Reporting Data

As far as the financial aid officer is concerned, one of the most important benefits of this system occurs in the sixth phase. Based on the information originally supplied by the individual financial aid worksheets in Phase Two, a series of matrix displays can be designed which provide data to ease enormously the compilation of the Basic Educational Opportunity Grant (BEOG) Progress Report and the federal Fiscal-Operations Report.

At Eastern Connecticut State College, the system has been designed to display the following matrix formats: BEOG, SEOG Initial Year, SEOG Renewal Year, SEOG Total, NDSL, CWSP, individual state, institutional and private awards, federal campus-based programs combined, total federal aid, and a grand total display of all awards granted. Figure 4 presents a display of activity in the federal campus-based (SEOG, NDSL, CWSP) programs; this information is vital to completion of the federal fiscal-operations report.

The horizontal rows display the gross income categories required in the report while the vertical columns pertain to the five racial categories. The bottom right box (Column 6, Row 9), therefore, provides a quick view of all recipients and dollars in the three federal programs. According to Figure 4, Eastern presently has 488 students receiving $342,869.23 in SEOG, NDSL, and CWSP programs combined. If the aid officer, for example, is interested in work-study only, he or she can consult the matrix for that single program.

By using the matrix display, an aid officer can tell, for example, that (1) Eastern presently has no American Indians receiving federal campus-based aid (Column 2) and only one Oriental who is receiving $1,100 from these funds (Column 3). The upper left hand corner (Column 1, Row 1) indicates that Eastern has seven Black students from families whose income is less than $3,000 receiving some $4,200 from these federal programs. Karen, the student case used for purposes of illustration, is found in Column 5, Row 3 as one of thirty Caucasians with family incomes between $6,000 and $7,499.

Such a matrix display permits the aid officer to be up to date, not only when reports are due, but at any given time since all rosters and matrix displays are updated and furnished each time new and revision worksheets are submitted at Eastern. The system in present operation calls for the financial aid office to submit its worksheets by noon each Thursday. In turn, the data center delivers new award letters, revised award letters, an updated roster, and revised matrix displays no later than noon the following Monday. As a result, aid officers com-

piling the BEOG Progress Report, for example, can use the BEOG matrix display to double-check the number of recipients and dollars each time the report is due. In addition, the aid officer knows, on a weekly basis, how much funds have been committed in each program without having to do any manual totaling.

FIGURE NO. 4

TRI	1	2	3	4	5	C3-11-77
1	7			2	9	18
	4200.00			1497.00	3937.00	9634.00
2	14			1	17	32
	8171.00			800.00	9320.00	18291.00
3	7			2	30	39
	5380.38			1309.00	17880.25	24569.63
4	4			8	21	33
	2289.00			5650.00	14703.00	22642.00
5	7		1	2	48	58
	6280.00		1100.00	1680.00	30975.51	40035.51
6	16			3	188	207
	11372.32			2135.00	119686.11	133193.43
7	3			1	96	100
	1400.00			500.00	92059.15	93959.15
8					1	1
					544.51	544.51
9	58		1	19	410	488
	39892.90		1100.00	13971.00	789105.53	342869.23

Benefits of the Program

Since its inception at Eastern Connecticut State College in 1974, the program described in this paper has proven to be of substantial benefit to the total financial aid operation. Similar programs can achieve comparable results on other small campuses. For one thing, the activities of the aid professional can be altered to permit more time for contact with students. In addition, the aid officer can have a considerable impact on the administration of his or her college as a whole by devoting more time to the problems of coordinating the aid operation with related administrative areas (i.e. admissions, registration, business office, etc.).

For their part, students are able to obtain more accurate, timely information about their packages since clerical workers need less time to total packages, apply aid to billing, and inform students of adjustments. In addition, the increased contact with aid officers on a personal basis insures a more sensitive analysis of their applications.

As far as clerical staff members are concerned, no time need be spent typing complicated award letters, payment lists, and totaling funds committed. Their time can now be put to better use in other areas where attention to detail is important.

Lastly, the completion and submission of federal, state, and institutional reports can be refined to the point where reporting is more accurate and prompt. The federal Fiscal-Operations Report, for example, can be completed in less than two working days. This saving in time alone can be a substantial benefit to the operation of any financial aid office.

Summary

The purpose in preparing this paper has been to acquaint financial aid officers, particularly those with limited support staffs at smaller institutions, with the idea that computer-assisted programs save time and increase opportunities to perform other activities. Such systems can provide foolproof accountability, up-to-date information, efficient turn-around time, and overall improved program administration. In short, their adoption can result in a more professional management of any aid office. At the same time, the valuable time of the financial aid officer can be freed up to devote more attention to the needs and concerns of individual student applicants.

Financial aid officers have long recognized the fact that personal relationships with students is a fundamental goal in the proper administration of their programs. For their part, students object to college officials who have little time to spend with them and value the professional who has the time to become personally acquainted with individual student problems and concerns. The introduction of a computer-assisted system can increase the opportunity for smaller aid offices to reach out to their student populations while, at the same time, insuring that important accountability and clerical functions are maintained with mimimal error and delay and maximum efficiency.