



# POLICY

## Federal Ban on Incentive Compensation for Student Recruiting Activities or the Awarding of Federal Financial Aid

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Lisa Stone (Nov 1, 2023 15:47 PDT)

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Drafted by: Lisa Stone  
Department: Financial Aid

10/15/2023

Date

*James Tito*  
James Tito (Nov 1, 2023 15:55 PDT)

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Approved by: James Tito  
Department: Chief Operating Officer

10/31/2023

Date

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Additional approval if necessary  
Approved by: [Click to enter name](#)  
President

[Click to enter date](#)

Date



# Federal Ban on Incentive Compensation for Student Recruiting Activities or the Awarding of Federal Financial Aid

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**Responsible Department:** Financial Aid

**Applies to:** Financial Aid, Admissions (including enrollment, recruiting, and athletic recruiting)

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## Policy Statement

**Issued:** 11/1/2023

**Revised:** Enter date here as Month DD, YYYY

Arizona Christian University (ACU, the University) complies with Section 487(a)(20) of the Higher Education Act (HEA), which prohibits the University 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.

As ACU meets its enrollment goals, the University will keep the educational interests of all prospective students and the University at the forefront of admissions and recruitment and financial aid disbursement practices. As such, ACU will provide accurate information to assist all prospective students in making informed application and enrollment decisions. This includes information about college admissions, costs and other information that will allow students to determine whether a campus is a “good fit” for them. All admission counselors will abide by local, state and federal laws (e.g., confidentiality and incentive compensation) applicable to the outreach, recruitment and admission practices related to undergraduate outreach, recruitment and admissions will adhere to the guidelines explained in the procedures section below.

## Definitions

<b>Term</b>	<b>Definition</b>
incentive compensation	Incentive compensation includes commissions, bonus payments, merit salary adjustments, and promotion decisions. Incentive compensation does not include fixed salary or wages.



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### **Procedures for Federal Ban on Incentive Compensation for Student Recruiting Activities or the Awarding of Federal Financial Aid**

**Issued:** 11/1/2023

**Revised:** Enter date here as Month DD, YYYY

#### **Activities Covered by the Ban**

Arizona Christian University (ACU, the University) may not provide any commission, bonus payment, merit salary adjustment, or promotion based in any part, directly or indirectly, upon success in securing enrollments or awarding of federal financial aid, to any person or entity engaged in any student recruitment or admissions activity or in making decisions regarding the award of Title IV funds (including Department of Defense Tuition Assistance funds).

Activities covered by the ban on incentive compensation include, but are not limited to:

1. recruitment information targeted to individuals,
2. recruiting solicitations to individuals,
3. contacting prospective students,
4. making student enrollment or Title IV aid decisions,
5. aiding students in completing enrollment applications, and
6. completing financial aid applications on behalf of prospective students.

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

1. advertising or marketing activities that provide college or program information to the public or groups of potential students,
2. collecting contact information, and
3. providing student support services after the disbursement of financial aid such as career counseling, tutoring, online course support.

These rules do not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

The Office of Admissions will refer any applicants/students that identify as Military or Veteran beneficiaries of educational benefits to the Director of Financial Aid for advising, benefit eligibility and financial questions.

### **Employees Covered by the Ban**

These rules apply to ANY employee that is directly engaged in restricted activities, including athletics coaches. Special care should be taken when reviewing the performance of employees who may perform restricted 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 or the awarding of financial aid.

Generally, these rules do not apply to senior level managers and executive employees that are only involved in the development of policy and do not engage in individual student contact related to the restricted activities.

### **Merit-Based Awards for Employees Covered by the Ban**

Commissions, bonus payments, merit salary adjustments, or promotions may be awarded to individuals covered by these rules according to the following standard evaluative factors:

1. job knowledge (knowledge of college programs, policies, and guidance)
2. professionalism (providing quality customer service, respecting customer privacy demonstrating proper etiquette with students and co-workers, and inspires others to achieve positive results)
3. analytic ability (ability to troubleshoot and solve problems)
4. communication skills (written, verbal)
5. use of technology (ability to use available technology to carry out duties)
6. dependability (follow-through with customers, punctuality, low absenteeism)
7. customer evaluations (feedback from students, parents, co-workers or other individuals/organizations the individual works with); and
8. initiative (e.g., the extent to which an employee is a self-starter, shares new and better ways to do things, and is willing to assume additional duties)

With respect to athletic personnel, bonus or other incentive payments are typically permitted for successful athletic programs including compensation for a successful athletic season, team academic performance, or other measures of team success.

When employees covered by these rules receive commissions, bonus payments, merit salary adjustments, or promotions, justification, using the above factors, must be documented.

### **Third-Party Vendors**

These rules 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. Third party agreements should be reviewed to ensure they do not include incentivized payments for the covered activities. Assistance from ACU's General Counsel should be requested before authorizing any third-party agreements that may contain these activities.