Ban on Incentive Compensation Related to Student Services
USSS-17

About This Policy

Effective Dates:
07-01-2015

Last Updated:
09-01-2020

Responsible University Administrator:
Executive Vice President for University Academic Affairs

Policy Contact:
Jennifer Stephens
Director of Financial Aid Operations and Compliance
stephejl@indiana.edu

Scope

University officials at any campus who may oversee enrollment, admission, financial aid, registrar, academic affairs, and/or student service activities and who is engaged in recruitment, admission, or financial aid decisions for domestic students. Officials who may be in a position to evaluate the applicability of new rules from the U.S. Department of Education regarding salary and compensation payments made within their particular unit or department.

This policy is not applicable to recruitment of international students residing outside the United States who are not eligible to receive federal student assistance; however, recruitment of international students is addressed in INT-05, Use of Agents in International Student Recruitment.

Policy Statement

Indiana 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 individual or entity who is engaged in any student recruitment or admission activity, or in making decisions regarding the award of Title IV, HEA program funds.

Reason For Policy

This policy is intended to ensure compliance with the US Department of Education Program Integrity Rules, which took effect July 1, 2011, and to provide structured analysis for determining which payments are prohibited as they relate to success in securing enrollment and/or financial aid awards.

Procedure

Indiana 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 (i.e., commission, bonus payments, merit salary adjustments, promotion decision, or other type of incentive payment for their services to the university).
   a. If no, then your analysis is complete and these rules are not applicable.
b. 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 of thereof, is directly or indirectly based upon either:
   • The individual’s or entity’s success in securing enrollments (defined as activities engaged in for the purpose of the admission or matriculation of students for any period of time), or
   • An individual’s or entity’s involvement in the awarding of financial aid.

2a. If no, the payment is permissible and your analysis is complete.

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

3. 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.

4. Review your compensation practices with regard to any faculty, staff or third party who may be involved in enrollment, admissions or financial aid activities to determine if any current or future incentive compensation or bonus structures offered to them are prohibited under this regulation.

Sanctions

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

History

This policy was established in 2015 and updated in 2020.

Related Information

Use of Agents in International Student Recruitment INT-05
Reward and Recognition Plans HR