

Ban on Incentive Compensation Related to Student Services

USSS-17



About This Policy

Effective Date:

07-01-2015

Last Updated:

07-01-2015

Responsible University Office:

University Student Services and Systems

Responsible University Administrator:

Executive Vice President for University Academic Affairs

Policy Contact:

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Related Information

[* Use of Agents in International Student Recruitment INT-05](#)[* Reward and Recognition Plans HR](#)

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Scope

University officials at any campus who may oversee enrollment, admission, financial aid, registrar, academic affairs and/or student service activities. 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.

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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 person 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. This

rule is not applicable to recruitment of foreign students residing in foreign countries who are not eligible to receive federal student assistance, however, recruitment of international students is addressed under other university policies.

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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.

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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:
 - a. 1. the person 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
 2. a person or entity’s involvement in the awarding of financial aid.
 - a. If no, the payment is permissible and your analysis is complete.
 - b. If yes, the payment is prohibited under the Program Integrity Rules, and you must immediately take steps to cease any incentive payment.

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.

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 now prohibited under this regulation.

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Sanctions

Violations 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 university.

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History

This policy was formalized in 2015.