



NYSOBBA

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A Word from Our President

As is the case in many of our lives, the New Year is a time to take stock and assess our personal lives and make resolutions to improve them. I think it fitting that we do the same with our organization. NYSOBBA is twenty years young and has never been more recognized and valuable to its members and the institutions we serve than it is right now.

We have always been of great value in and among ourselves, but as we move forward we have become more and more recognized as a resource beyond our traditional membership. One exciting example of this fact is our inclusion in the Leadership Council of the Higher Education Services Corporation.

The leadership council is comprised of the Presidents of the SUNY Registrars Association, SUNY Financial Aid Professionals, New York State Financial Aid Administrators Association and the President of NYSOBBA. The group meets quarterly in Albany with the HESC Board of Trustees. The purpose of the group is to provide input to the board on policy issues they may be considering as well as supply them with insight from a "front line" perspective as to the impact of those policies once implemented.

I will be polling the membership from time to time on issues presented by the HESC board. It is my belief that they sincerely seek input into the policies they are setting that effect our students, institutions and us. This input represents a new direction for the HESC board and is an opportunity that we as a group must take full advantage of.

NYSOBBA has truly come a long way in these past twenty years. We have played an active role in assisting each other to grow in the past. We have moved forward as professionals to help enhance our institutions and now we are in a place to help shape policy at a state wide level. Our organizational resolution should be to take full advantage of the opportunity we have been presented and actively pursue improving the services provided to our students.

These are truly challenging and rewarding times and we should take care not to let this opportunity go by unrealized. Please see to it that if you have issues you would like addressed with the HESC board you contact me.

Thank you and keep up the good work on those resolutions.

Sincerely,

James Sunser

FROM THE DESK OF THE CONFERENCE COORDINATOR -- JACK EDWARDS

The 1998 Conference Site location for the 16th Annual Conference has been chosen.

Drum roll please.....

RADISSON HOTEL CORNING

Corning, New York

For those who have not had the opportunity to visit Corning, New York, it is a quaint little town located at the south end of the Finger Lakes region. This charming yet sophisticated community is the artistic glass capital of North America. The historic Market Street brings an assortment of boutiques, museums, restaurants and outlet stores to your doorstep. Corning is known as the "Crystal City," because of its association with glass, and has become the third largest tourist attraction in New York State.

During your stay you will have the opportunity to visit the Corning Glass Center, including Steuben Glass and the Corning Museum of Glass. We will also venture up to Keuka Lake for the Finger Lakes' most scenic dining experience on the Keuka Maid Dinner Boat.

Hotel registration will begin in April, 1998. The rates are \$143.75 single occupancy or \$106.35 per person - double occupancy. The rate includes all meals and a dinner cruise.*

So, mark your calendar to attend --

***The 16th Annual NYSOBBA Conference
Tuesday, June 9, 1998 to Friday, June 12, 1998***

Hope to see you there.

** rates are subject to change without notice*

NEWS FROM HESC submitted by Kathy Crowder, NYSHESC

Best Wishes to Peter Keitel - After more than twenty-one years at HESC, the last fourteen as Executive Vice President, Peter Keitel has left the Corporation for a new position as Project Manager for Governor Pataki's STAR Program at the State Office of Real Property Services. STAR is the Governor's new School Tax Relief program that provides homeowners with a partial exemption from school property taxes. We wish Peter all the best in his new position. HESC's loss is Real Property's gain.

Happy Retirement Wishes to Frank Hynes - Frank Hynes, Vice President of Grants and Scholarships, retired on January 8th. Frank has been with the Higher Education Services Corporation for almost 21 years and has over 32 years of State service. Please join in wishing Frank all the best for the future and deep appreciation for his many years of service to students and the people of New York State.

HESC is pleased to announce administrative appointments made on an acting basis, pending formal approval.

Pierre Alric has been appointed Acting Executive Vice President and Chief Operating Officer of the Corporation (COO). The title Chief Operating Officer delineates the Executive Vice President's responsibility for HESC's loan, grant and scholarship processing, service and information systems. The goal of this administrative arrangement is to strengthen and make seamless HESC services to students, colleges and lenders. Reporting to the COO will be the Divisions of Loans, Grants and Scholarships, Policy Analysis, and Information Resource Management. Pierre is a committed educator with private business, systems and legislative staff experience.

Robert Butler, Vice President for Loans has been designated as the Corporation's Acting Chief Financial Officer (CFO), a new position that will

centralize administration of financial activities, long-term financial planning, and development and monitoring of the HESC business plan in one agency officer. Reporting to the CFO will be the divisions of Administrative Services, Human Resources Management, and Administrative Finance. Bob is a twenty-year veteran of HESC with a national reputation in student financial aid administration and is a professional accountant.

Brenda Smith is appointed as Acting Vice President of the Loans Division to carry on HESC's exciting, new efficient Loan services including PAL, origination through the Internet, Default Prevention and alternative loan origination. Brenda is a 16-year HESC professional administrator with experience as a student financial aid professional at the college level. She has been a national leader in building interagency cooperation and student loan systems.

Charles Treadwell will be HESC's new Assistant Vice President for Federal and State Relations reporting to the HESC Legislative Counsel. Chas is also a career HESC professional who has led HESC Washington communications with the U.S. Department, Congress and college and student financial aid advocates.

College Choice Tuition Savings Account Program

- Information on New York State's program became available on our HESC Web site Wednesday, January 14, 1998. The information will include answers to general questions raised about the Program, Chapter 546 of the Laws of 1997, a press release from Governor Pataki, and IRS information on qualified Tuition Savings Programs.

As soon as additional information becomes available, it will be added to the Web site. The Internet address for this information is <http://www.hesc.com/pubinfo.html>.

Grant and Scholarship Redesign Efforts Redirected - The need to modify the HESC Grant and Scholarship processing system to permit it to continue to function in the Year 2000 has required

us to redirect our efforts. Limited funding causes us to concentrate our efforts on implementing the Express TAP application for the 1998-99 academic year and, for the 1999-2000 academic year, to make the current Grant and Scholarship processing system Year 2000 compliant and to convert it to the IBM computer platform.

Accomplishing these goals achieves two very important aspects of the redesign efforts. The schedule for the implementation of additional aspects of the redesigned Grant and Scholarship system will be defined as soon as possible.

Express TAP - Here are some frequently asked questions about the 1998-99 TAP application process, along with our answers:

Question: A student at my school did not list my school on the FAFSA. What will happen?

Answer: If she listed another NYS school, she can make the change on the preprinted Express TAP Application.

Question: What if a student did not list any NYS school on the FAFSA and, therefore, did not receive a preprinted TAP application?

Answer: The school or the student can send in a FAFSA revision or request HESC to generate a preprinted TAP application.

Question: How does the school or student request a preprinted form for those students who do not go through the normal FAFSA process?

Answer: The student or the school can request a preprinted TAP application by calling, faxing, or electronically submitting to HESC the student's name, SSN, address, date of birth, and school code.

Question: If a student loses the Express TAP Application, now can he get another?

Answer: The student or the school can request a duplicate ETA by calling, faxing, or electronically

requesting that one be mailed. HESC will reprint the Express TAP Application and mail it to the student or school.

Question: Are you sending an Express TAP Application to a student who indicates on the FAFSA that she is going less than full-time?

Answer: Yes. This allows the student to change her response.

HESC now includes **Alternative Loans** in its Pre-Approved Loan (PAL) process. Schools can use the HESC or the CommonLine format to indicate not only borrower eligibility for a FFEL loan but also that the school is recommending an Alternative Loan. This common, streamlined electronic process greatly simplifies the application processing and disbursement of alternative loans.

The process works this way:

- ◆ The school sends one record - both the FFEL and alternative loan data - to HESC.
- ◆ HESC guarantees the FFEL and forwards the alternative loan data to the provider.
- ◆ The provider reviews the loan application and notifies HESC of the results. HESC forwards this notification with its standard approval/denial report to the school.
- ◆ HESC uses its EFT process to send the funds to the school.

There are a broad variety of other options for alternative loan processing, including HESC printing the alternative loan application or HESC performing the entire origination process. HESC will work with schools and their alternative loan provider(s) to determine the best processing option for each school and lender.

Students to Benefit from Lower HESC Loan Fees - New York State is lowering the cost of borrowing for graduate and professional students by \$2.5 million year. For the 1998-99 academic year, the insurance premium charged by HESC will be cut in half for graduate and professional students, from 1% and ½%.

HESCweb The New York Higher Education Services Corporation now offers exciting innovations in electronic processing.

HESCweb provides students, schools, and lenders online access to a variety of services over the Internet. Access HESCweb through our website at www.hesc.com. Schools and Lenders may now opt to use online Inquiry and Update screens through HESCweb. Top online features include:

- ◆ Generating Federal Stafford and PLUS loan applications
- ◆ Making corrections to loan application information
- ◆ Inquiring about the status of your students? loans and TAP awards
- ◆ Updating borrower, school, and/or lender information

Students may use HESCweb to:

- ◆ Find out about federal financial aid programs
- ◆ Communicate with financial aid experts
- ◆ Locate information on private scholarships
- ◆ Connect with job banks
- ◆ Estimate financial aid eligibility
- ◆ Learn how to prepare for college.
- ◆ Link to Mapping Your Future, the premier national financial aid resource Web Site, for more information on higher education and careers.

In the coming months, students will be able to access specific information about their loans via the web.

HESC is also getting ready to introduce WinPATH. HESC's financial aid processing software in the Windows environment. While the many features of PATH will still be available, WinPATH will:

- ◆ Work with both Windows 3.1 or Windows 95
- ◆ Provide report viewing capabilities
- ◆ Allow automated response to HESC system for Tap rosters, EFT rosters, ATRC's
- ◆ Improve data entry capabilities
- ◆ Customize menu selections

Ongoing initiatives include full Internet processing. As innovations progress and expand, Mainframe and PC applications will continue to be available, offering complete and comprehensive electronic loan processing capabilities.

NEWS FROM THE DEPARTMENT OF EDUCATION'S NEW YORK CASE MANAGEMENT TEAM INSTITUTIONAL PARTICIPATION AND OVERSIGHT SERVICE Submitted by Robert McKiernan, USED

Bursars should be on the lookout for "Dear Colleague" letter GEN-98-5. This letter is a follow-up to the January 21st letter from the Chief Financial Officer for the Department of Education which notifies institutions of the conversion of the Department's Payment Management System to the new EDCAPS Grant Administration and Payment System. During this conversion, scheduled for February 26 through March 15, 1998, institutions will not be able to draw funds from the Department.

The deadline to receive funds through the ACH/EFT system is 3:00PM on February 25, 1998. For institutions that receive funds by FEDWIRE, the deadline is 6:00PM on February 26, 1998.

In anticipation of the transition, GEN-98-5 provides specific instructions for drawing down federal cash for Federal Direct Loan, Federal Pell Grant, and the Campus Based Programs under the advance system of payment prior to the shutdown. During this period the Department will hold institutions harmless for the 3 day disbursement rule under the cash management regulations. If the procedures outlined in the letter are followed.

The New York Case Management Team is also very pleased to announce the appointment of Steven Tessitore as an institutional improvement specialist for the team. Steve's job is to implement the compliance improvement function of the case management team. He will accomplish

that by offering a wide range of technical assistance services to participating institutions. This technical assistance is offered to groups or individual institutions upon request. Steve's telephone number is (212) 637-6426. This new position enables the case management team to improve our customer service and we look forward to meeting your technical assistance needs.

REPORT ON FEDERAL LEGISLATIVE ACTIVITIES Submitted by Nancy Willie-Schiff, NYSED. The following update was prepared by NYSED's Office of Federal Legislation for the Board of Regents and New York's education community. (February 4, 1998)

Congressional Schedule

The second session of the 105th Congress began January 27, followed the next day by the President's State of the Union address, outlining the Administration's agenda for the year. This year Congress is likely to focus on several controversial issues, including the disposition of the projected surplus, education vouchers, block grants, and tax credits for private K-12 education. Also on their schedule is reauthorization of the Higher Education Act. The Senate still must take up bills to reauthorize vocational and adult education, job training, and vocational rehabilitation programs. The resulting legislation will be negotiated in a conference committee with provisions passed by the House.

The President's Proposed Fiscal Year (FY) 1999 Budget Overview. The President's proposed FY 1999 budget submitted to Congress February 2 includes education spending as a top Administration priority, with a request for \$1.7 billion (6 percent increase) in new discretionary funding and another \$1.3 billion in new mandatory spending (25 percent increase) on education programs. Congress will review the President's budget as it drafts its own spending blueprint in the coming months, to be followed later in the year by the 13 annual appropriations bills that provide specific funding for individual programs.

About half of the proposed increase in this discretionary spending would be spread among existing elementary, secondary, and postsecondary education programs. Attachment 1 provides the impact on the larger programs for which New York State receives Federal support.

The other \$842 million would go to a dozen new initiatives proposed by the President, which must also first be approved by Congress. In addition, the President proposes creation of a new mandatory (automatic) spending program that would provide \$1.1 billion in FY 1999 (\$7.3 billion over five years) to recruit 100,000 new teachers to reduce class size in grades 1-3 nationwide. If approved by Congress, New York State would receive \$101 million under this program. On the tax side of the budget, the President proposes spending \$5 billion in tax credits over the next five years to pay the interest on bonds to build and renovate public schools.

Elementary and Secondary Programs. This portion of the budget proposal focuses on the early grades, with funds targeted to high-need urban and rural areas. Among existing programs, the largest increase (\$391 million) is proposed for targeted and concentration grants within the Title I program. An additional \$30 million is requested for the Title I comprehensive school reform program, first funded at \$120 million last year. Increases are also requested for migrant education programs (16 percent), bilingual professional development (100 percent), and charter schools (25 percent). Several key programs were frozen at last year's level or received only minor increases, including the Individuals with Disabilities Education Act, vocational education, immigrant education, and Eisenhower professional development. As in past years, the Administration proposed eliminating all \$335 million in funding for the Title VI Block Grants.

New K-12 Initiatives. The President again requested \$260 million for his America Reads proposal, which aims to have all children reading well by the third grade by using literacy tutors

provided through the college work study program. This initiative was considered by the House Education Committee last year but has yet to be taken up by the full House or the Senate. The President also requests \$200 million for the selection of 50 high-poverty urban and rural education opportunity zones that will use the funds to adopt models of systemwide, standards-based reform to raise achievement. Other new initiatives include:

- ◆ \$50 million under the Safe and Drug-Free Schools and Communities Act to recruit, train, and employ drug and school safety program coordinators in middle schools; and
- ◆ \$35 million under the Title I program for Transition to School Demonstrations, to foster school district collaboration with early childhood education programs such as Head Start in an attempt to continue education gains made through the early school years.

Postsecondary Programs. A \$250 million increase is proposed to allow the maximum Pell Grant to grow by \$100 to \$3,100. In addition, the Federal Work-Study Program would increase by 8 percent, or \$70 million. TRIO programs would rise a 10 percent, or \$53 million. As in previous budget proposals, the Administration would eliminate the State Student Incentive Grant program, which was funded at \$25 million in FY1998. Overall, the proposals for FY 1999 would increase Federal financial aid to \$51 billion, or 4.4 percent above FY 1998.

Four new initiatives are aimed at low-income postsecondary students:

- ◆ \$140 million for early-intervention partnerships between middle schools, high schools, and colleges to give children in low-income areas mentoring, financial aid information, and other support that they need to go to college;
- ◆ \$15 million for a nationwide publicity campaign to make low-income students aware of Federal student financial aid;

- ◆ \$30 million for "Learning Anytime Anywhere Partnerships," pilot programs to use distance learning technology to enhance delivery of postsecondary education; and
- ◆ \$20 million for a research program to assess how Federal financial aid packages affect access and retention of low-income students.

National Endowment for Arts (NEA) and Humanities (NEH). The Administration's budget request includes funding of \$136 million for each of the endowments, a 27.9 percent increase for NEA and 22.5 percent for NEH.

Child Nutrition Programs. The Administration's budget proposal for the Department of Agriculture includes increases for school breakfast and lunch programs to meet the costs of inflation. There are no proposals that would change the current practices in state and school district administration of these programs, and the Administration will seek to renew existing programs under reauthorization of the Child Nutrition programs this year.

Department of Labor Programs. Training and Employment Services funding would rise 7 percent, or \$340 million dollars. The Welfare-to-Work program is funded at \$1.5 billion in mandatory funding, the same as FY 1998. Although it did not receive funding in FY1998, the Administration is again requesting \$250 million for the Out-of-School Youth Program, which would provide grants of about \$14 million to 15-20 urban and rural areas to train youth who are potential welfare recipients.

Other Department of Labor programs for youth would be either frozen at FY 1998 funding levels, or receive modest increases. Summer Youth and Youth training programs would be level-funded at \$871 million and \$1.3 billion, respectively. The School-to-Work program would be cut 38 percent, falling from \$200 million to \$125 million. Adult Training programs would grow by 5 percent, receiving \$1 billion, and Dislocated Workers

programs would gain 7 percent, being funded at \$1.45 billion.

ATTACHMENT 1

Impact of FY 1999 Budget Proposal on New York State Selected Education Programs (In millions)

NYS Share	FY 98	FY 99	Diff.
<i>Title I Basic Grant</i>	\$569.0	\$569.0	\$0.0
<i>Title I Concentration</i>	\$104.2	\$114.0	\$9.8
<i>Drug-free State Grant</i>	\$39.6	\$39.5	(\$0.1)
<i>Goals 2000</i>	\$35.2	\$36.1	\$0.9
<i>Title VI Block Grant</i>	\$21.6	\$0.0	(\$21.6)
<i>Title II Prof. Develop.</i>	\$25.2	\$25.2	\$0.0
<i>Tech. Challenge</i>	\$37.8	\$42.3	\$4.5
<i>Special Ed. St. Grnt</i>	\$265.3	\$266.7	\$1.4
<i>Special Ed. Preschol</i>	\$33.1	\$33.1	\$0.0
<i>Voc'l State Grant</i>	\$51.4	\$51.4	\$0.0
<i>Rehab. State Grant</i>	\$119.0	\$121.2	\$2.2
<i>Pell Grants</i>	\$716.3	\$744.2	\$27.9
<i>Federal Work-Study</i>	\$80.6	\$87.3	\$6.7
<i>SEOG</i>	\$58.3	\$58.8	\$0.5

For further information, contact Cless Bush at cbush@mail.nysed.gov.

RETURNS RELATING TO HIGHER EDUCATION TUITION AND RELATED EXPENSES (IRS Public Document)

The following text of IRS Notice 97-73 was recently released by IRS:

Purpose

[1] This notice describes the information reporting requirements for 1998 under section 6050S of the Internal Revenue Code (as enacted by the Taxpayer Relief Act of 1997, Pub. L. No. 105-34, section 201(c), 111 Stat. 804 (the Act)) that apply to certain educational institutions in connection with the Hope Scholarship Credit and the Lifetime Learning Credit. The Treasury Department intends to issue regulations on the information reporting required under section 6050S. Pending the issuance of those regulations, this notice describes who must report information, and the nature of the information that will be required to be reported under section 6050S for 1998.

Background

A. The Hope Scholarship and Lifetime Learning Credits.

[2] Section 201(a) of the Act, 111 Stat. 799, added section 25A to the Code. Section 25A allows certain taxpayers who pay qualified tuition and related expenses to an eligible educational institution to claim a Hope Scholarship Credit or a Lifetime Learning Credit against their federal income tax liability. The Hope Scholarship Credit is available for qualified tuition and related expenses paid after December 31, 1997, in taxable years ending after that date for education furnished in academic periods beginning after December 31, 1997. The Lifetime Learning Credit is available for qualified tuition and related expenses paid after June 30, 1998, in taxable years ending after that date for education furnished in academic periods beginning after June 30, 1998. The term "academic period" includes a semester, trimester, quarter, or any other period designated as a period of instructional time by the educational institution. For this purpose, an academic period begins on the first day of classes, and does not include periods of student orientation, counseling, or vacation.

[3] For a taxpayer to be eligible for the Hope Scholarship Credit or the Lifetime Learning Credit, qualified tuition and related expenses must be paid by the taxpayer to an eligible educational

institution for the taxpayer, the taxpayer's spouse or any dependents. Payments by a taxpayer's dependents are to be treated as having been made by the taxpayer. The Hope Scholarship Credit is available only for the qualified tuition and related expenses of students enrolled at least half-time in the first two years of postsecondary education and can be claimed in no more than two years for each student.

[4] Qualified tuition and related expenses are the tuition and fees an individual is required to pay in order to be enrolled at or attend an eligible educational institution. Amounts paid for any course or other education involving sports, games, or hobbies are not eligible for the credit, unless the course or other education is part of the student's degree program. Charges and fees associated with room, board, student activities, athletics, insurance, books, equipment, transportation, and similar personal, living, or family expenses are not qualified tuition and related expenses.

[5] An eligible educational institution is a college, university, vocational school, or other postsecondary educational institution that is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and, therefore, is eligible to participate in the student aid programs administered by the Department of Education. This category includes virtually all accredited public, nonprofit, and proprietary postsecondary institutions.

[6] Notice 97-60, 1997-46 I.R.B. 8, provides additional information about the Hope Scholarship Credit and the Lifetime Learning Credit.

B. Information Reporting Relating to Qualified Tuition and Related Expenses.

[7] Section 6050S(a) requires eligible educational institutions that receive payments of qualified tuition and related expenses or make reimbursements or refunds of qualified tuition and related expenses to submit an annual information report to the Service with respect to each student

on whose behalf the payments are received or the reimbursements or refunds are made. Section 6050S(a) also requires each person engaged in a trade or business who makes a reimbursement or refund of qualified tuition and related expenses to submit an annual information report to the Service with respect to each student on whose behalf the reimbursements or refunds are paid. The terms "eligible educational institution" and "qualified tuition and related expenses" have the same meanings for purposes of section 6050S as they do for purposes of the Hope Scholarship Credit and the Lifetime Learning Credit.

[8] Section 6050S(b) provides that the return of information must be in the form prescribed by the Secretary and contain:

- (1) the name, address, and taxpayer identification number (TIN) of the individual with respect to whom the qualified tuition and related expenses were received or the reimbursement or refund was paid,
- (2) the name, address, and TIN of any individual certified by the individual named in the first item as the taxpayer who will claim that individual as a dependent for purposes of the deduction under section 151 for any taxable year ending with or within the year for which the information return is filed,
- (3) the aggregate amount of payments of qualified tuition and related expenses received by the eligible educational institution or the aggregate amount of reimbursements or refunds (or similar amounts) paid during the calendar year with respect to the individual named in the first item, and
- (4) such other information as the Secretary may prescribe.

[9] Section 6050S(d) provides that every person required to make an information return under section 6050S(a) shall furnish to each individual whose name is required to be included in the return a written statement showing the name, address, and phone number of the reporting person's information contact, and the aggregate amounts required to be included in the return.

Discussion

A. Who must File for 1998.

[10] For 1998, an eligible educational institution that receives payments of qualified tuition and related expenses in 1998 must file an information return with the Service with respect to each student on whose behalf payments were received. An eligible educational institution that makes reimbursements or refunds of tuition or related expenses to a student during 1998, that equal or exceed payments of qualified tuition or related expenses received on behalf of that student during 1998, is not required to file an information return or furnish a statement with respect to that student for 1998.

[11] An institution is not required to provide a report with respect to a student whose tuition and related expenses were waived in their entirety or paid entirely with scholarships because it will have received no payments of qualified tuition and related expenses on behalf of such a student.

[12] Persons, other than eligible educational institutions, engaged in a trade or business and making reimbursements or refunds of qualified tuition and related expenses will not be required to file information returns or furnish statements of reimbursements or refunds for 1998.

[13] For purposes of providing these information reports, an eligible educational institution should provide reports on students who are enrolled in the institution for any academic term beginning in 1998. An institution should determine its enrollment for each term as of any of the following three dates:

- (a) 30 days after the first day of the academic term;
- (b) a date during the term on which enrollment data must be collected for purposes of the Integrated Postsecondary Education Data System administered by the Department of Education; or
- (c) a date during the term on which the institution must report enrollment data to the State, the

institution's governing board or some other external governing body.

[14] An institution should provide a single information report for each student on whose behalf qualified tuition and related expenses have been received in 1998 even if the institution receives more than one payment on that student's behalf during 1998.

B. Information Required for 1998.

[15] Eligible educational institutions required under this notice to file information returns for 1998 must properly complete Form 1098-T, Tuition Payments, for each student with respect to whom information reporting is required. For 1998, a properly completed Form 1098-T filed with the Service must include:

- (1) the name, address, and TIN of the eligible educational institution,
- (2) the name, address, and TIN of the individual with respect to whom payments of qualified tuition and related expenses were received during 1998,
- (3) an indication as to whether the individual named in the second item was enrolled for at least half the full-time academic workload during any academic period commencing in 1998, and
- (4) an indication as to whether the individual named in the second item was enrolled exclusively in a program or programs leading to a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential.

For purposes of section 25A and the reporting required under section 6050S, a student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution's standard for a full-time workload must equal or exceed the standards established by the Department of Education under the Higher Education Act and set forth in 34 C.F.R. section 674.2(b).

[16] Although in the future institutions will be required to provide the additional information specified in section 6050S (e.g., the amount of qualified tuition and related expenses received and/or reimbursed), the IRS will not impose penalties on an institution that does not provide this information for 1998.

C. When to File

[17] The information returns required under section 6050S for 1998 must be sent to the Service by March 1, 1999.

D. Manner of Filing

[18] Eligible educational institutions may file the information returns required by section 6050S for 1998 on paper or by magnetic media. Additional guidance will be issued providing further information on how to file returns by magnetic media. In addition, the Service is exploring electronic filing options and will issue further guidance when such options become available.

E. Statements to Be Provided to Students

[19] Each eligible educational institution must provide each student with respect to whom an information return is filed a statement containing the same information that is provided to the Service on the information return required by section 6050S. In addition, the statement provided to the student must contain the phone number of the individual serving as information contact at the eligible educational institution that made the return. The statement with respect to qualified tuition and related expenses paid in 1998 must be provided to the student by February 1, 1999. The statement may be a copy of Form 1098-T or an acceptable substitute statement.

F. Collecting Information

[20] The Service is developing an optional Form W-9S for use in collecting information for the purpose of complying with section 6050S. Eligible

educational institutions will be able to use the form to collect a student's name, address, and TIN. The form is being designed so that it can also be used to collect any information necessary to meet the information reporting requirements associated with the student loan interest deduction provided by new section 221. Eligible educational institutions will be able to collect information from students for 1998 information reporting purposes on a paper or an electronic version of Form W-9S (or an acceptable substitute). The eligible educational institution also may collect the necessary information by using its own forms and procedures.

[21] Eligible educational institutions that are also federal, state or local government agencies are required to provide certain disclosures under the Privacy Act when collecting social security numbers from individuals. See 5 U.S.C. section 552a. The Form W-9S will contain a Privacy Act disclosure statement.

G. Waiver of Penalties.

[22] The Treasury Department intends to issue regulations under sections 6050S providing guidance on how institutions are to comply with the requirements of the statute. Until the regulations are adopted, no penalties will be imposed under sections 6721 and 6722 for failure to file correct information returns with the Service or to furnish correct statements to the individuals with respect to whom information reporting is required under section 6050S. Furthermore, even after the regulations are adopted, no penalties will be section under sections 6721 and 6722 for failure to file correct information returns or furnish correct written statements for 1998 as required by 6050S if the institution made a good faith effort to file information returns and furnish statements in accordance with this notice.

Drafting Information

[23] The principal author of this notice is John McGreevy of the Office of the Assistant Chief Counsel (Income Tax & Accounting). For further

information regarding this notice contact him on (202) 622-4910 (not a toll-free call).

Date Published: 12-03-97

TAX INCENTIVES FOR HIGHER EDUCATION: NEW SOURCES OF ASSISTANCE OR NEW SOURCES OF CONFUSION!

Submitted by Maria Barlaam, Westchester Business Institute

With the new 1997 Tax Relief Act, there will be some new Post secondary Education tax incentives: Hope Scholarship Credit, Lifetime Learning Credit and Interest Deduction on Education Loans.

The Hope Scholarship

The Hope Scholarship Credit will be a credit against tax liability, not a scholarship as we know it. It will take into account 100% of the first \$1,000 of qualified tuition and related expenses, 50% of the second \$1,000 of qualified tuition and related expenses and after the year 2000 there will be a cost of living adjustment. In order to qualify for the Hope Scholarship Credit, students must be enrolled at an eligible institution and have the half-time (6 credits) status for at least on semester during the year that the credit is being requested. This will be available only during the first two years of post secondary institution, and only payments made after December 31, 1997 will be considered toward this tax credit. Qualified students must have no state or federal felony drug convictions.

The Hope Scholarship Credit also carries income restrictions. Full benefits for an adjusted gross income of less than \$40,000 single filer / \$80,000 joint filer. There will be pro-rated benefits for adjusted gross income between \$40,000 and \$50,000 single filer / \$80,000 and \$100,000 joint filer. For example, a single filer with an adjusted gross income of \$45,000 would be eligible for a Hope Scholarship tax benefit of \$750. But, there would be no tax benefits for adjusted gross

incomes greater than \$50,000 single filer / \$100,000 joint filer.

This tax benefit is calculated per student, therefore, if more than one family member is eligible, multiple tax credits are awarded. Married tax payers must file a joint return to receive the credit and only one family member can claim the credit. This means that either the parent or the dependent student, but not both.

Life Long Learning Credit

These benefits would include 20% of the first \$5,000 of qualified tuition and related expenses yearly per family. Beginning in 2003, the credit will equal 20% of the first \$10,000 of qualified tuition and related expenses. Students must attend an eligible institution to qualify, but, no full-time or part-time status is a requirement. This credit will be available for tuition paid after June 30, 1998. And again, a state or federal felony drug conviction would prohibit you from qualifying.

In order to receive maximum benefits, the adjusted gross income must be less than \$40,000 single filer / \$80,000 joint filer. There will be pro-rated benefits for an adjusted gross income between \$40,000 and \$50,000 single filer / \$80,000 and \$100,000 joint filer. For example, a single filer with an adjusted gross income of \$45,000 would be entitled to Lifelong Learning Credit tax benefit of \$500. There would be no tax credit for an adjusted gross income greater than \$50,000 single filer / \$100,000 joint filer.

These benefits will be calculated per family, so if more than one family member is eligible, the cap is applied to the whole family. Married taxpayers must file a joint tax return to receive the credit. Only one taxpayer can claim the credit, parent or dependent, not "double dipping".

Interest Deduction on Education Loans

Interest Deduction on education loans will take the form of a tax deduction which will be given for interest paid by the taxpayer or any qualified educational loan (applies only to interest paid

during the first 60 months of repayment). The maximum allowable deduction will be phased in over five years beginning at \$1,000 in 1998 and reaching \$2,500 after 2001. Taxpayers will not need to itemize in order to claim this deduction.

Eligible loans must be on behalf of the taxpayer, taxpayer's spouse or taxpayer's dependent. These loans must also be for expenses while recipient was an eligible student made by someone other than a relative of the borrower. Loans may be federal and non federal as well, but, the borrower cannot claim this deduction if claimed as a dependent by another taxpayer. Full benefits for this deduction can be received by those with an adjusted gross income of \$40,000 single filer / \$60,000 joint filer or less. There will be pro-rated benefits for an adjusted gross income between \$40,000-\$55,000 single filer / \$60,000-\$75,000 joint filer. There will be no tax benefits if the adjusted gross income is greater than \$55,000 single filer / \$75,000 joint filer.

ROBBING PETER TO PAY PAUL

Barmak Nassirian, American Association of State Colleges and Universities (information from E-mail to the National Bursar List with consent of the author)

Washington higher education associations held an emergency meeting recently to discuss this ill-advised move on the part of the Administration. While no participant could articulate an explanation for this unfathomable reversal of a previous reversal, it was suggested that the Administration may view the announced increases for Work-Study and the likely increase for FSEOG as somehow making up for the elimination of Perkins. The campus-based funding shell game concerns us not only because of the unique importance of the Perkins program, but also for the poor precedent it sets with regard to our ability to rely on an Administration that has consistently emphasized the importance of making college more affordable. Coming in the immediate aftermath of the creation of tax benefits for upper-middle income families, the outright elimination of a need-based aid program may leave some with the

impression that the Administration is walking away from its professions of total commitment to student aid when it was lobbying for tax credits for the more affluent. The battle over Perkins may indeed be the decisive event of this reauthorization, and it would behoove all advocates of students aid, whether or not they administer Perkins funds, to join us in saving this program.

What One Could do

Calls to the White House and the Department would be most helpful, particularly if followed up with letters to the Secretary of Education and to the Chairman of the National Economic Council. Letting your Representative and Senators know that you support the Perkins loans program would also be useful. Time is of the essence, and those inclined to act should probably do so today.

Perkins Facts

The federal investment in Perkins leverages additional institutional dollars (3 to 1 match), and has produced a program that provides some \$900 million in low-interest (5 percent) loans to needy students.

Approximately 83% of Perkins borrowers are from families of annual incomes of \$30,000 or below. Some 25% of these borrowers are from families with annual incomes of \$18,000 or less.

Perkins has unique cancellation provisions that promote important additional social benefits. These provisions apply to nurses, teachers, and other low-income community service occupations.

Perkins is an important packaging tool for financial aid professionals, who use it to meet the special needs of low-income students.

THIRD PARTY SERVICERS

Information submitted by Williams and Fudge through E-mail to National Bursar List - reported from USED

This information is provided for institutions who use third party servicers to assist in management of their Title IV Financial Aid Funds.

In July of 1997 the U. S. Department of Education issued a "Dear Colleague" letter (OIG-97-1) which requires all third party service organizations (servicers) performing functions related to the Federal Student Financial Aid Programs to have a compliance audit. The completed audit must be forwarded to the Office of Inspector General within six (6) months from the issuance of the July 1997 audit guide. This will be an annual audit and subsequent years will be due within (6) months of the servicer's fiscal year end.

The Attestation Audit is an requirement of billing servicers, collection agencies, and any organization which is contracted by an institution to perform function relating to Title IV funds. Servicers who fail to submit a completed Attestation Audit to the Office of Inspector General Office may subject themselves and/or the institution to administrative sanctions pursuant to 34 CFR 668 Subpart G. These sanctions may include emergency action, imposition of a fine, limitation, suspension, or termination of the institution and/or third party servicer. The Secretary has the right to withhold Title IV Funds, or withdraw the authority of the institution, or servicer to commit or disburse any funds should an emergency action be imposed.

Institutions may want to contact their servicers to confirm that they have completed the required Attestation Audit and have forwarded that information to the Inspector General's Office. As a suggestion, institutions may want to request a letter of confirmation from their third party servicers for purposes of their own audit requirements.

NYSOBBA HOTLINE

Lou Seda, School of Visual Arts

The NYSOBBA hot line has been eliminated. Due to the lack of usage by our members and given the fact that we already have our own NYSOBBA web site made it necessary to do away with it.

NYSOBBA DIRECTORY - correction

Unger and Associates relocated operations to their Texas office. Please correct your directory:

Unger & Associates
P.O. Box 2990
Dallas, TX 75221-2990
www.uai-unger.com
(800) 542-5016

Representative: Alori Boyd Ext. 8042

THE JOB CORNER

Assistant Bursar

The Westchester Business Institute is a private two year college located in White Plains. The successful candidate we are seeking must be student oriented and highly organized individual with a BA in accounting or related field with 2-3 years of experience. Knowledge of higher education accounting, financial reporting and excellent analytical, and communication skills. Responsibilities include: accounts receivable, billing, Title IV/Campus based reporting/administration, TAP certification, refund calculations, and PELL transmittals.

Salary commensurate with experience. Fax resume to Ms. Dorothy Martin, Bursar at (914) 948-8216, or mail to : The Westchester Business Institute, 325 Central Avenue, White Plains, NY 10606. EOE

Cornell University has the following vacancies: Assistant Bursar

Under the supervision of the university bursar, manage the student accounts, student charge card, and installment plan section of the bursar's office. Provide supervision for seven full-time staff members. Develop work plans, procedures and training in these areas. Extensive contact with parents, students and other University departments concerning matters related to the student accounts area.

Requirements: Bachelor's degree with 5-7 years experience strongly preferred. General knowledge of bursar's office including student accounts, installment plans, student loans and collections preferred. Supervisory experience required. Ability to operate in a highly automated environment required. Ability to deal with difficult situations involving parents and students, work independently, assume initiative, exercise sound judgement and maintain strict confidentiality.

Anyone interested please send resume to:
Peter Olcott, Bursar
Cornell University
260 Day Hall
Ithaca, NY 14850
(607)255-6413
poll@cornell.edu

Cynthia Morehouse
Assistant Bursar / Student Loans
Cornell University
260 Day Hall
Ithaca NY 14853
607-255-5770

JOB INTERVIEW LOWLIGHTS BOB LEVEY'S WASHINGTON POST(continued)
Submitted by Peg Ehmann

In our last edition, we provided you with a group of stories reported by top personnel executives of 100 major American corporations. Here are another group (numbered 11 through 20) of lowlights reported.

11. Without saying a word, candidate stood up and walked out during the middle of the interview.
12. Man wore jogging suit to interview for position as financial vice president.
13. Said if he were hired, he would demonstrate his loyalty by having the corporate logo tattooed onto his forearm.
14. Interrupted to phone his therapist for advice on answering specific interview questions.
15. Wouldn't get out of the chair until I would hire him. I had to call the police.

16. When I asked him about his hobbies, he stood up and started tap dancing around my office.
17. Had a little pinball game and challenged me to play with him.
18. Bounced up and down on my carpet and told me I must be highly thought of by the company because I was given such a thick carpet.
19. Took a brush out of my purse, brushed his hair and left.
20. Pulled out a Polaroid camera and snapped a flash picture of me. Said he collected photos of everyone who interviewed him.
21. Candidate asked me if I would put on a suit jacket to insure that the offer was formal.
22. Said he wasn't interested because the position paid too much.
23. While I was on a long-distance phone call, the applicant took out a copy of Penthouse, and looked through the photos only, stopping longest at the centerfold.
24. During the interview, an alarm clock went off from the candidate's briefcase. He took it out, shut it off, apologized and said he had to leave for another interview.

(More lowlights will be printed in subsequent newsletters. If you have any to share, please send to the newsletter editor.)

NEXT ISSUE!

The next issue of the Newsletter will be published in July, 1998. If you are interested in contributing to the newsletter, please submit your article by Friday, June 26, 1998 to:

NYSOBBA NEWSLETTER
c/o Office of Student Accounts
Teachers College, Columbia University
525 West 120th Street, Box 305
New York, New York 10027

E-mail - mhb14@columbia.edu or
FAX - (212) 678-4139

We thank all who contributed to this issue of the Newsletter.

**NEW YORK STATE ORGANIZATION OF
BURSARS AND BUSINESS ADMINISTRATORS**

1997-98 INDIVIDUAL/INSTITUTIONAL MEMBERSHIP FORM

Please complete this section if you are requesting an **INDIVIDUAL** membership and attach payment of \$60.00. Make check payable to NYSOBBA. Please write/print legibly.

NAME last _____ First Mr./Mrs./Ms./Miss _____
Title _____
Institution _____
Address _____ City, State _____
Zip Code _____
Telephone _____ Region _____ Fax # _____

Please complete this section if you are requesting an **INSTITUTIONAL** membership and attach payment of \$175.00. Make check payable to NYSOBBA. Institutional memberships allow five (5) members on NYSOBBA database.

NAME Last _____ First _____
Title _____ Telephone # _____
NAME Last _____ First _____
Title _____ Telephone # _____
NAME Last _____ First _____
Title _____ Telephone # _____
NAME Last _____ First _____
Title _____ Telephone # _____
NAME Last _____ First _____
Title _____ Telephone # _____
Institution _____
City, State, Zip Code _____
Region _____ Fax # _____

Please return this form with your payment to:

Mr. Larry Brennan, Bursar
SUNY Health Science Center
155 Elizabeth Blackwell Street, Syracuse, NY 13210

REGIONS: Western Northeast Genesee Valley New York City Central Long Island Mid-Hudson



NYSOBBA

c/o Office of Student Accounts
Teachers College, Columbia University
525 West 120th Street, Box 305
New York, New York 10027

Mrs. Margaret Ehmann
Bursar
Univ. of Rochester - Med/Dent
601 Elmwood Ave. - Box 601
Rochester, NY 14642

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