



October 7, 2002

Ms. Wendy Macias
U.S. Department of Education
P.O. Box 33076
Washington, DC 20033-3076

Dear Ms. Macias,

On behalf of the 7,900 members of the National Association for College Admission Counseling (NACAC), I wish to submit the attached recommendations in response to the Department's call for comments as listed in the August 8, 2002 *Federal Register*. Our comments are applicable to the proposed regulations under the Higher Education Act (HEA) affecting 34 CFR part 668.

These comments are submitted from the perspective of the members that the association represents—admission officers serving more than 1,500 institutions of higher education throughout the country.

I am pleased to provide you with more information, if needed, through NACAC's Public Policy Department. Please contact David Hawkins, NACAC Director of Public Policy, at (703) 836-2222 for more information.

Respectfully submitted,

A handwritten signature in black ink, reading "Joyce E. Smith". The signature is written in a cursive style with a large, prominent "J" and "S".

Joyce E. Smith
NACAC Executive Director



Comments on Department of Education Proposed Regulation, “Incentive Compensation”

Re: 34 CFR §668.14

Standing of Association to Provide Recommendations

The National Association for College Admission Counseling (NACAC) is comprised of 7,900 members nationwide. Included among NACAC’s membership are more than 2,300 admission officers representing more than 1,500 institutions of higher education nationwide. Ethics in recruiting students and awarding scholarships provided the impetus for creating NACAC in 1937. As a reflection of that founding purpose, one of the first actions taken by the founders of this association was the creation of a code of ethics. Years of review and revision have yielded today’s *Statement of Principles of Good Practice (SPGP)*. This code of ethics is adhered to by all member institutions and individuals as a condition of membership in the association. (see copy of *SPGP* attached)

Relevance of Association Principles to Proposed Regulations

In accordance with the *SPGP*, association members maintain that annual or base compensation for admission personnel must be made on a salaried basis. Compensation that takes the form of commission or other incentive payment is prohibited among association members. NACAC’s *SPGP* includes language that provides a distinct point of reference when evaluating the proposed regulations. Specifically, section I(A)(1) states:

College and university members agree that they will ensure that admission counselors are viewed as professional members of their institutions’ staffs. As professionals, their compensation shall take the form of a fixed salary rather than commissions or bonuses based on the number of students recruited.

Furthermore, section I(A)(5)(b) states:

College and university members agree that they will not use unprofessional promotional tactics by admission counselors and other institutional representatives. They will not offer or pay a per capita premium to any individual or agency for the recruitment or enrollment of students, international as well as domestic.

General Concerns About Proposed Regulations

NACAC members appreciate the complications in enforcing the statute for which the proposed regulations have been drafted. Because the job performance of an admission officer depends, in part, on success in attracting students to the institution, it is important that statute not infringe upon the professional and institutional mission these officers pursue, or upon the means by which an institution recognizes superior performance among its admission staff.

However, the duties of an admission officer range well beyond the enrollment of students. Efforts to compensate admission or recruiting staff on the basis of number of students enrolled are insufficient as a measure of the work that an admission officer performs. Admission officer job performance is more likely to be based on the quality of students recruited or admitted, the appropriate fit between the student and the institution, the organizational skills the individual brings to the admission office, and the ease with which the admission officer communicates with the public.

Association members further stress that the ethical code included in the SPGP was intended to serve the student interest in the transition from secondary to postsecondary education. Members will readily acknowledge that the number of students enrolled in a given academic year is a matter of great importance to all institutions of higher education. However, reducing the basis for compensation to the number of students enrolled in any circumstance introduces an incentive for recruiters to actively ignore the student interest in the transition to postsecondary education, and invites complications similar to those that preceded the enactment of the ban on incentive compensation under the 1992 Higher Education Act reauthorization.

Other Observations and Background

Outside of the association's internal governing principles, members are concerned that the issuance of these proposed regulations are contradictory to advice, statements and precedent issued within the past two years:

- The final report of the Web Based Commission on Education, which is cited as the point of initiation of the effort to modify the ban on incentive compensation, specifically states that "the Department [of Education] has concluded that this provision could only be changed through new legislation."¹ (emphasis added)
- During Congressional consideration of legislation (HR 1992, 107th Congress) to modify the ban on incentive compensation, Education Secretary Roderick Paige assured Representative Patsy Mink, ranking member of the House Committee on Education and the Workforce, via written correspondence that "any new guidance on this topic [will] be clear and not overly prescriptive for institutions of higher education."²

¹ "The Power of the Internet for Learning: Final Report of the Web-Based Education Commission," December 2000.

² *Congressional Record*, October 10, 2001, page H-6468. Reprint of written communication between Roderick Paige, Secretary of Education, and Representative Patsy Mink, Ranking Member of the House Committee on Education and the Workforce, letter dated July 24, 2001

- In the previous two years, the Inspector General of the Department of Education has issued judgments against four different entities for violations of the statutory ban on incentive compensation.

Considering these factors, admission officers who are members of the association are concerned that, in general, the proposed regulations:

- 1) are of a scope that is not within the purview of the Department of Education to dictate; rather, that the content of the regulations and the issues brought forth are decidable only by the legislative branch
- 2) create sufficient ambiguity that would present an undue administrative burden on institutions of higher education and on the offices charged with enforcing statutory provisions, and would render statute virtually unenforceable.
- 3) provide exceptions to statute that are in direct contrast to the spirit and letter of the law, thus exceeding their statutory bounds as currently worded in the Higher Education Act [20 USC 1094(a)(20)].

Recommendations

The members of the association make the following recommendations pertaining to the proposed regulations:

Note: (“No recommendation” indicates that association members are favorably disposed to the clarifications proposed by the Department.)

§ 668.14 (b)(22)(i)

No recommendation.

§ 668.14 (b)(22)(ii)(A)

No recommendation.

§ 668.14 (b)(22)(ii)(B)

Recommendation: Association members recommend that the Department eliminate this subparagraph from proposed regulations.

Justification: The Higher Education Act (HEA) does not provide authority for the Department to regulate admission practices of institutions that do not receive Title IV funds. Therefore, this exception is unnecessary and invites institutions of higher education to actively ignore the student interest in the admission process.

In addition, the exception provides an invitation to behavior that association members view as unethical and potentially detrimental to the student. NACAC's founding principles and *SPGP* originated as a safeguard against unethical behavior in the recruitment of students that existed independently of federal assistance programs. While we recognize the limitations of our Statement, and do not intend it as a blueprint for statute or regulations, we urge the Department not to create avenues for improper and possibly illegal activities that could occur outside of the scope of the Higher Education Act and that could be detrimental to the interest of the student. Association members point to recent statements that Congress intends to provide additional focus on student achievement and institutional accountability in the upcoming reauthorization of the Higher Education Act. We are concerned that providing such encouragement to provide incentive compensation, which can result in high-pressure recruiting tactics that do not result in positive results for the student, runs counter to Congress' intent to improve student achievement and institutional accountability.

§ 668.14 (b)(22)(ii)(C)

Recommendation: Association members recommend that this subparagraph be modified to include the following:

Adjustments to fixed compensation for Compensation to recruiters who arrange contracts between the institution and an employer under which the employer's employees enroll in the institution, and the employer pays, directly or by reimbursement, 50 percent or more of the tuition and fees charged to its employees; provided that the compensation is not based upon the number of employees who enroll in the institution, or the revenue they generate, and the recruiters have no contact with the ~~employees.~~ employees recruited as potential students; and provided that none of the balance of costs that are not reimbursed by employer are paid with Title IV, HEA funds.

Justification: Association members recognize that all members of a community may substantially benefit from contractual or other arrangements with local employers to provide continuing education for employees. Because such agreements undoubtedly have benefits to the institution and community in the short and long term, association members acknowledge that special recognition for employees involved in reaching agreements of this nature does not necessarily conflict with statute.

However, proposed regulation would be more precise by narrowly defining the employees with which recruiters are allowed to have contact, as some level of contact between recruiter and an employee of the company (i.e. the professional overseeing continuing education programs at the company) is necessary.

In addition, the proposed requirement that an employer provide only "more than 50 percent" of tuition and fees leaves open the possibility that Title IV, HEA funds may be used to make up the difference, which would create a conflict with statute. Without the recommended modification, recruiters could be compensated based on incentive payments for enrolling employees eligible to receive Title IV, HEA funds. Combined with the federal tax incentive for employers who provide financial assistance to employees for

continuing education,³ this exception creates an incentive for fraud and abuse on the part of both the employer and the institution that could lead to violations of statute.

§ 668.14 (b)(22)(ii)(D)

Recommendation: Association members recommend that this regulation be modified to include the following language:

Compensation paid as part of a profit-sharing or bonus plan, as long as those payments are made to all or substantially all of the institution's full-time professional and administrative staff. Such payments can be limited to all, or substantially all of the full-time employees at one or more organizational level at the institution, except that an organizational level may not consist predominantly of ~~recruiters, admissions staff, or financial aid staff~~ recruiters, admissions staff, and financial aid staff, and provided that profit is defined as the total profit resulting when total costs are subtracted from total revenue at the institution.

Justification: Association members urge specificity when allowing an exception to the statutory ban on incentive compensation on the basis of profit-sharing. Members fear that institutions may define profit in such narrow terms as to provide payments to all employees based on the number of students enrolled alone (and the resultant increase in "profit" from their tuition or financial aid), thus violating the spirit and letter of the law.

§ 668.14 (b)(22)(ii)(E)

Recommendation: Association members recommend that this subparagraph be eliminated from final regulations.

Justification: While association members understand the impetus for this subparagraph, we contend this exception creates multiple conflicts with statute.

First, statute prohibits payments based on number of students enrolled at an institution. While this subparagraph excepts a subset of that population, incentive compensation could continue to be based on the number of students enrolled less the number dropouts during the first academic year, which remains in conflict with statute.

Second, the selection of one academic year (or the entire academic program, if shorter than one year) as the benchmark for such an exception appears arbitrary. With regard to the protection of the integrity of Title IV funds, association members see no compelling reason why one academic year should prevail over, for instance, two academic years, which would indicate completion of a typical associate's degree, or four academic years, which would indicate completion of a typical bachelor's degree. Association members are concerned that in establishing an exception based on an arbitrary period of academic work, the Department may be inadvertently establishing a minimum level of service that institutions may provide to students that may not meet standards that are required for receiving Title IV, HEA funds.

³ See 26 USC §127

Third, this subparagraph exponentially complicates the process of monitoring whether an institution providing incentive compensation to recruiters is doing so in compliance with statute and regulation. In order to comply with statute and exercise the proposed exemption, institutions wishing to provide compensation on such a basis would be required to (1) maintain records linking students to recruiters, and (2) obtain access to student records in order to determine whether the conditions of the proposed regulations have been met. Furthermore, the administrative burden placed on the Department's investigative and enforcement staff could be so overwhelming as to render the statute unenforceable.

Fourth, the exception created by this subparagraph could lead to the development of "matriculation agreements" that could limit student options and opportunities by binding a student to attendance at one institution. High-pressure recruitment tactics could combine with such agreements to force students into attendance at an institution that is not the best fit for the student. With a matriculation agreement in place, student options to transfer would be limited, which could result in increased dropouts and higher default rates.

Finally, this exception creates the potential for discrimination against a broad range of students. An institution exercising such an exception to the incentive compensation law might create an admission scenario that excludes first generation students, students who come from disadvantaged backgrounds, and students who have shown progress from average to above-average grades in high school. Association members believe that this runs counter to the intent of the Title IV HEA financial aid programs.

§ 668.14 (b)(22)(ii)(F)

Recommendation: Association members recommend that this subparagraph be modified as follows:

Compensation paid to employees who perform pre-enrollment activities, such as answering telephone calls, referring inquiries, or distributing informational materials, as long as compensation paid to either the employee involved in pre-enrollment activities or the staff charged with enrolling students is not based on ~~actual enrollment~~. the number of students a recruiter, enrollment, or other staff member enrolls at the institution and provided the incentive payment does not constitute the base compensation for the employee.

Justification: As stated in the association's *SPGP*, individuals involved in recruiting and admission are, first and foremost, professionals. Allowance for incentive payment as a form of base compensation for these professionals is discouraged by the association. As a matter of protecting Title IV funds from fraud and abuse, it is difficult to see what types of activities that are not currently prohibited by statute would need the safe harbor created under this subparagraph.

Association members are aware that in the admission profession, which involves marketing institutions to students, success in attracting students to the institution is one component—but not the only component—of job performance. Association members have no desire to inhibit the free flow of information between institutions and the public,

and would not oppose an institution's right to provide incentives that support innovation or outreach to prospective students.

While association members see merit in protecting innovative activities with respect to pre-enrollment activities, we urge additional caution to safeguard against an institution that could, under current proposed language, hire recruiters who are compensated either directly or indirectly on the number of students that are enrolled by other staff at the institution. Because such recruiters are one step removed from the enrollment process, an institution could easily mask the incentive based compensation that is prohibited by current statute by claiming that the recruiter was not involved in the enrollment or admission of students.

§ 668.14 (b)(22)(ii)(G)

Recommendation: Association members recommend that this subparagraph be eliminated.

Justification: Association members understand that increased enrollment at an institution is one general indicator of institutional success, and that executive and managerial staff performance may, at least in part, be assessed on that basis. However, association members maintain that current statute does not currently prevent performance-based increases to executive and managerial staff in admission or other offices. We believe that the exception listed in this subparagraph is adequately addressed by the language in subparagraph A.

§ 668.14 (b)(22)(ii)(H)

No recommendation.

§ 668.14 (b)(22)(ii)(I)

Recommendation: Association members recommend that this subparagraph be eliminated from the proposed regulations.

Justification: This subsection creates several incentives for institutions to bypass or violate the spirit and letter of statute, and adds no clarity to statute.

First, the term "profit distributions" lacks sufficient definition to ensure that an institution would not simply label revenues from tuition based on the number of new enrollments and amount of financial aid received through those enrollments as profit.

Second, even including an extensive definition of the term "profit distributions," this subsection does not add clarity to existing law. Statute and existing regulations do not prohibit institutions from granting regular pay increases to admission and financial aid officers that are similar to those received by other campus employees. Pay increases or campus-wide bonuses (which, in a non-profit setting, can be viewed as redistribution of excess revenue) are not currently prohibited under statute, so long as they are not based directly or indirectly on enrollment or financial aid participation.

§ 668.14 (b)(22)(ii)(J)

Recommendation: Association members recommend that this subparagraph be modified to include the following:

Compensation paid for Internet-based recruitment and admission activities that provide information about the institution to prospective students, or permit them to apply for admission ~~online~~—online, provided such compensation is not based solely on success in securing enrollments or Title IV HEA financial aid.

Justification: Current statute has not prohibited institutions of higher education from entering into agreements with third party contractors who provide web hosting, content, or application services to the institution. Association members maintain that payments to third-party web providers based on, for example, the number of “hits” to an institution’s web site or on the number of applications received through a web portal do not appear to conflict with statute. However, we believe that the use of the term “indirectly” in statute and regulations refers only to the consideration of enrollments as a basis for compensation, not the concept that applications or web hits are “indirectly” associated with enrollments. Therefore, admission officers welcome the opportunity to ensure the soundness of such arrangements, a concern that was expressed in the final report of the Web-Based Commission on Education.

§ 668.14 (b)(22)(ii)(K)

Recommendation: Association members recommend that this subparagraph be eliminated from the proposed regulations.

Justification: As drafted, this subsection appears to be superfluous. The intent and letter of statute does not prohibit payments to third parties that “deliver various services to the institution” that are unrelated to recruiting, admission, or Title IV HEA financial aid.

§ 668.14 (b)(22)(ii)(L)

Recommendation: Association members recommend that this section be eliminated from the proposed regulations.

Justification: The proposed regulation contradicts the spirit and letter of the statutory ban on incentive compensation. Statute specifically prohibits payments to “any persons or entities” based directly or indirectly on success in securing enrollments. This subsection creates two loopholes that would except a wide range of activities in violation of statute.

First, subsection L creates a meaningless distinction between individual recruiters and entities hired to recruit. This subsection would allow institutions of higher education to pay organizations (rather than individuals) based on success in securing enrollments and financial aid (including aid from Title IV, HEA sources). The prohibition of payments

to individuals on this basis is meaningless when the organization that employs them retains the financial incentive Congress seeks to discourage.

Second, this subsection specifically identifies “tuition sharing arrangements” as potentially acceptable forms of compensation. Disciplinary actions recently taken by the Inspector General of the Department of Education indicate that tuition sharing arrangements should be subject to strict scrutiny under existing statute and regulations, particularly since such plans are inherently linked to success in securing enrollments and/or financial aid.

(end)

Statement of Principles of Good Practice

FOR MEMBERS OF THE NATIONAL ASSOCIATION FOR COLLEGE ADMISSION COUNSELING

Revised September 2001; Revisions effective 2003/2004 academic year.

Ethics in recruiting students and awarding scholarships provided the impetus for creating NACAC in 1937. As a reflection of that major purpose, one of the first actions taken by the founders was the creation of a Code of Ethics. After many years of reviewing, updating, and rewriting, this Code is today's *Statement of Principles of Good Practice*.

While the Code originally applied only to NACAC members, the importance of ethical practices in the admission process for all institutions was recognized by those in the profession. As a result, a joint statement utilizing the basic philosophy of NACAC's Code of Ethics was developed in tandem with the American Association of Collegiate Registrars and Admission Officers and The College Board, and was endorsed by the American Council on Education, the National Association of Secondary School Principals, the National Student Association, and the American School Counselor Association.

The *Statement of Principles of Good Practice* is reviewed annually and revised to reflect new concerns for ethical admission practices and policies.

High schools, colleges, universities, other institutions and organizations, and individuals dedicated to the promotion of formal education believe in the dignity, the worth, and the potentialities of every human being. They cooperate in the development of programs and services in postsecondary counseling, admission, and financial aid to eliminate bias related to ethnicity, creed, gender, sexual orientation, age, political affiliation, national origin, and disabling conditions. Believing that institutions of learning are only as strong ultimately as their human resources, they look upon counseling individual students about their educational plans as a fundamental aspect of their responsibilities.

They support, therefore, the following *Statement of Principles of Good Practice* for members of the National Association for College Admission Counseling:

I. ADMISSION PROMOTION AND RECRUITMENT

A. College and University Members agree that they

1. will ensure that admission counselors are viewed as professional members of their institutions' staffs. As professionals, their compensation shall take the form of a fixed salary rather than commissions or bonuses based on the number of students recruited.

2. will be responsible for the development of publications, written communications, and presentations, i.e., college nights, college days, and college fairs, used for their institution's promotional and recruitment activity. They
 - a) will state clearly and precisely the requirements for secondary school preparation, admission tests, and transfer student admission.
 - b) will include a current and accurate admission calendar. If the institution offers special admission options such as early admission, early action, early decision, or waiting list, the publication should define these programs and state deadline dates, notification dates, required deposits, refund policies, and the date when the candidates must reply. If students are placed on wait lists or alternate lists, the letter which notifies the students of the placement should provide a history that describes the number of students placed on the wait lists, the number offered admission, and the availability of financial aid and housing. Finally, if summer admission or mid-year admission is available, students should be made aware of the possibility in official communication from the institutions.
 - c) will not falsely advertise or misrepresent their academic offerings. Rather, members will provide precise information about their academic majors and degree programs. Such information should include a factual and accurate description of majors, minors, concentrations and/or interdisciplinary offerings that apply toward the completion of the undergraduate degree.
 - d) will provide students, families and secondary schools with the most comprehensive information about costs of attendance and opportunities and requirements for all types of financial aid, and state the specific relationship between admission practices and policies and financial aid practices and policies.
 - e) will describe in detail any special programs, including overseas study, credit by examination, or advanced placement.

- f) will include pictures and descriptions of the campus and community which are current and realistic.
 - g) will provide accurate information about the opportunities/selection for institutional housing, deadline dates for housing deposits, housing deposit refunds, and describe policies for renewal availability of such institutional housing.
 - h) will provide accurate and specific descriptions of any special programs or support services available to students with handicapping conditions, learning disabilities, and/or other special needs.
 - i) will identify the source and year of study when institutional publications and/or media communications cite published ratings of academic programs, academic rigor or reputations, or athletic rankings.
 - j) should indicate that the institution is a NACAC member and has endorsed the principles contained in this *Statement*.
3. will exercise appropriate responsibility for all people whom the institution involves in admission, promotional, and recruitment activities (including their alumni, coaches, students, faculty, and other institutional representatives), and educate them about the principles outlined in this *Statement*. Colleges and universities which engage the services of admission management or consulting firms shall be responsible for assuring that such firms adhere to this *Statement*.
 4. will speak forthrightly, accurately, and comprehensively in presenting their institutions to counseling personnel, prospective students, and their families. They
 - a) will state clearly the admission requirements of their institutions, and inform students and counselors about changed admission requirements so that candidates will not be adversely affected in the admission process.
 - b) will state clearly all deadlines for application, notification, housing, and candidates' reply requirements for both admission and financial aid.
 - c) will furnish data describing the currently enrolled freshman class and will describe in published profiles all members of the enrolling freshman class. Subgroups within the profile may be presented separately because of their unique character or special circumstances.
- d) will not use disparaging comparisons of secondary or postsecondary institutions.
 - e) will provide accurate information about the use/role of standardized testing in their institutions' admission process.
5. will not use unprofessional promotional tactics by admission counselors and other institutional representatives. They
 - a) will not contract with secondary school personnel for remuneration for referred students.
 - b) will not offer or pay a per capita premium to any individual or agency for the recruitment or enrollment of students, international as well as domestic.
 - c) will not encourage students to transfer if they have shown no interest in doing so.
 - d) will not compromise the goals and principles of this *Statement*.
 6. will refrain from recruiting students who are enrolled, registered, or have declared their intent or submitted contractual deposit with other institutions unless the students initiate inquiries themselves or unless cooperation is sought from institutions which provide transfer programs.
 7. will understand the nature and intent of all admission referral services utilized by their institutions (including their alumni, coaches, students, faculty, and other institutional representatives) and seek to ensure the validity and professional competency of such services.

B. Secondary School Members agree that they

1. will provide a program of counseling which introduces a broad range of postsecondary opportunities to students.
2. will encourage students and their families to take the initiative in learning about colleges and universities.
3. will not use disparaging comparisons of secondary or postsecondary institutions.
4. will establish a policy with respect to secondary school representatives for the release of students' names. Any policy which au-

thorizes the release of students' names should provide that the release be made only with the students' permission consistent with applicable laws and regulations. That permission may be a general consent to any release of the students' names. Secondary school representatives shall, in releasing students' names, be sensitive to the students' academic, athletic, or other abilities.

5. will refuse any reward or remuneration from a college, university, or private counseling service for placement of their school's students.
6. will be responsible for all personnel who may become involved in counseling students on postsecondary options available and educate them about the principles in this *Statement*.
7. will be responsible for compliance with applicable laws and regulations with respect to the students' rights to privacy.
8. will not guarantee specific college placement.
9. should provide information about opportunities and requirements for financial aid.
10. should indicate that the institution is a NACAC member and has endorsed the principles in this *Statement*.

C. Independent Counselor Members agree that they

1. will provide a program of counseling which introduces a broad range of postsecondary opportunities to students.
2. will encourage students and their families to take initiative in learning about colleges and universities.
3. will not use disparaging comparisons of secondary or postsecondary institutions.
4. will refuse unethical or unprofessional requests (e.g., for names of top students, names of athletes) from college or university representatives (e.g., alumni, coaches, or other agencies or organizations).
5. will refuse any reward or remuneration from a college, university, agency, or organization for placement of their clients.

6. will be responsible for all personnel who may become involved in counseling students on postsecondary options and educate them about the principles in this *Statement*.
7. will be responsible for compliance with applicable laws and regulations with respect to the students' rights to privacy.
8. will not guarantee specific college placement.
9. will provide advertisements or promotional materials which are truthful and do not include any false, misleading, or exaggerated claims with respect to services offered.
10. will communicate with the secondary school counselor about the college admission process, after obtaining student and parental consent.
11. should provide information about opportunities and requirements for financial aid.
12. should consider donating time to students who need the services of an independent counselor but who are unable to pay.
13. should indicate that the NACAC member has endorsed the principles in this *Statement*.

D. All other members providing college admission counseling services to students agree to adhere to the principles in this Statement.

E. College fairs, clearinghouses, and matching services that provide liaison between colleges and universities and students shall be considered a positive part of the admission process if they effectively supplement other secondary school guidance activities and adhere to this Statement.

II. ADMISSION PROCEDURES

A. College and University Members agree that they

1. will accept full responsibility for admission decisions and for proper notification of those decisions to candidates and, when possible, to their secondary schools.

2. will receive information about candidates in confidence, consistent with applicable laws and regulations, and will respect completely the confidential nature of such data.
3. will not apply newly-revised requirements to the disadvantage of a candidate whose secondary school courses were established in accordance with earlier requirements.
4. will not require candidates or the secondary schools to indicate the order of the candidates' college or university preferences, except under early decision plans.
5. will not make offers of admission to students who have not submitted admission applications.
6. will permit first-year candidates for fall admission to choose, without penalty, among offers of admission and financial aid until May 1. It is understood that May 1 will be viewed as the postmark date. Colleges that solicit commitments to offers of admission and/or financial assistance prior to May 1 may do so provided those offers include a clear statement that written requests for extensions until May 1 will be granted, and that such requests will not jeopardize a student's status for admission or financial aid. Candidates admitted under an early decision program are a recognized exception to this provision.
7. will work with their institution's administration to ensure that financial aid and scholarship offers and housing options are not used to manipulate commitments prior to May 1.
8. will, if necessary, establish a wait list that:
 - a) is of reasonable length.
 - b) is maintained for the shortest possible period and in no case later than August 1.
9. will establish wait list procedures that ensure that no student on any wait list is asked for a deposit in order to remain on the wait list or for a commitment to enroll prior to receiving an official written offer of admission.
10. will state clearly the admission procedures for transfer students by informing candidates of deadlines, documents required, courses accepted, and course equivalency and other relevant policies.

11. will inform students and counselors about new or changed requirements which may adversely affect candidates who have met all required deadlines, deposits, and commitments according to the students' original notification from the institution.
12. will accept, for the purposes of documenting student academic records, only official transcripts in the admission or registration process which come directly from the counseling, guidance, or registrar's offices of the institution(s) the candidate attends or has attended or from other appropriate agencies.
13. will, in the development and administration of their application policies and procedures, abide by the NACAC Definitions of Admission Decision Options.
14. will not discriminate in the admission selection process against applicants based on the particular application form that an applicant uses, provided that the college or university has agreed explicitly, as in common application membership, or implicitly, as in on-line or other computer-based technology, to accept the particular version of the application.
15. should admit candidates on the basis of academic and personal criteria rather than financial need. This provision shall not apply to international students ineligible for federal student assistance.
16. should notify high school personnel when the institution's admission selection committee includes students.
17. should notify candidates as soon as possible if they are clearly inadmissible.
18. should make every effort to provide candidates for financial aid with financial aid decisions as soon as possible following an offer of admission.

B. Secondary School Members agree that they

1. will provide, in a timely manner, for colleges and universities accurate, legible, and complete official transcripts for the school's candidates.
2. will provide colleges and universities with a description of the school's marking system which may include the rank in class and/or grade point average.

3. will in their profiles and other publications provide true and accurate information with regard to test scores for all students in the represented class cohort group who participated in college admission testing.
4. will provide accurate descriptions of the candidates' personal qualities which are relevant to the admission process.
5. will urge candidates to understand and discharge their responsibilities in the admission process. Candidates will be instructed to
 - a) comply with requests for additional information in a timely manner.
 - b) respond to institutional deadlines and refrain from stockpiling acceptances.
 - c) refrain from submitting multiple deposits or commitments, as this may jeopardize their acceptances to those institutions.
 - d) refrain from submitting more than one application under any early decision plan and, if admitted under such a plan, comply with all institutional guidelines including those regarding the obligations to: enroll, withdraw all other applications, and refrain from submitting subsequent applications.
 - e) respond to institutional deadlines on housing reservations, financial aid, health records, and course prescheduling, where all or any of these are applicable.
6. will not reveal, unless authorized, candidates' college or university preferences.
7. will sign only one pending early decision agreement for any student.
8. will counsel students and their families to notify other institutions when they have accepted an admission offer.
9. will encourage students to be the sole authors of their applications and essays and will counsel against inappropriate assistance on the part of others.
10. should report any significant change in candidates' academic status or qualifications, including *personal conduct record*, between the time of recommendation and graduation, where permitted by applicable laws and regulations and if requested by an institution's application.

11. should provide a school profile which clearly describes special curricular opportunities (e.g., honors, Advanced Placement courses, seminars) and a comprehensive listing of all courses with an explanation of unusual abbreviations and any information required for proper understanding.
12. should advise students and their families not to sign any contractual agreement with an institution without examining the provisions of the contract.
13. should counsel students and their families to file a reasonable number of applications.

C. Independent Counselor Members agree that they

1. will urge candidates to recognize and discharge their responsibilities in the admission process. Candidates will be instructed to
 - a) comply with requests for additional information in a timely manner.
 - b) respond to institutional deadlines and refrain from stockpiling acceptances.
 - c) refrain from submitting multiple deposits or making multiple commitments.
 - d) refrain from submitting more than one application under any early decision plan and, if admitted under such a plan, comply with all institutional guidelines including those regarding the obligations to: enroll, withdraw all other applications, and refrain from submitting subsequent applications.
 - e) respond to institutional deadlines on housing reservations, financial aid, health records, and course prescheduling, where all or any of these are applicable.
2. will not reveal, unless authorized, candidates' college or university preferences.
3. will follow the process recommended by the candidates' high school for filing college applications.
4. will encourage students to be the sole authors of their applications and essays, and counsel against inappropriate assistance on the part of others.
5. should advise students and their families not to sign any contractual agreement with an

institution without examining the provisions of the contract.

6. should counsel students and their families to file a reasonable number of applications.

D. All other members providing college admission counseling services to students agree to adhere to the principles in this Statement.

III. STANDARDIZED COLLEGE ADMISSION TESTING

Members accept the principle that fairness in testing practices should govern all institutional policies. Because test results can never be a precise measurement of human potential, members commit themselves to practices that eliminate bias of any kind, provide equal access, and consider tests as only one measure in admission/counseling practices.

A. College and University Members agree that they

1. will use test scores and related data discretely and for purposes that are appropriate and validated.
2. will provide prospective students with accurate and complete information about the use of test scores in the admission process.
3. will refrain from using minimum test scores as the sole criterion for admission, thereby denying certain students because of small differences in scores.
4. will use test scores in conjunction with other data such as school record, recommendations, and other relevant information in making decisions.
5. will educate staff in understanding the concepts of test measurement, test interpretation, and test use so they may make informed admission decisions from the test data.
6. will maintain the confidentiality of test scores.
7. will publicize clearly policies relating to placement by tests, awarding of credit, and other policies based on test results.
8. will, in the reporting of test scores, report first on all first-year admitted or enrolled students, or both, including special subgroups (e.g., athletes, nonnative speakers) and then, if they wish, may present separately the score characteristics of special subgroup populations. Universities with more than

one undergraduate division may report first by division and then by special subgroups within divisions. Clear explanations of who is included in the subgroup population should be made. Those institutions that do not require tests or for which tests are optional will only report scores if the institution clearly and emphatically states the limits of the group being reported.

9. should conduct institutional research to inquire into the most appropriate use of tests for admission decisions.
10. should counsel students to take only a reasonable number of tests and only those necessary for their postsecondary plans.
11. should refrain from the public reporting of mean and median admission test scores and instead, depending upon the requested information, report scores by any or all of the following methods
 - a) middle 50 percent of the scores of all first-year applicants.
 - b) middle 50 percent of the scores of all first-year students admitted.
 - c) middle 50 percent of the scores of all first-year students enrolled.
 - d) appropriate score bands for all first-year students applied, admitted, and enrolled.

B. Secondary School Members agree that they

1. will release and report test scores only with students' consent.
2. will avoid comparing colleges and universities solely on the basis of test scores.
3. will work with other school officials and other groups to keep test results confidential and in perspective.
4. will, in the reporting of test scores, report on *all* students within a discrete class (e.g., freshman, sophomore, junior, senior) who participated in college admission testing.
5. should avoid undue emphasis on test scores as a measure of students' potential and ability when representing students to colleges and universities.
6. should inform students about what tests they need for admission, where they may take them, and how to interpret the results in their own contexts.

7. should be knowledgeable about the limitations of standardized tests and counsel students with these limitations in mind.
8. should inform students about the use and validity of test scores, both for admission and as measures of potential and ability.
9. should counsel students and families on how test scores may be used in the admission process by colleges and universities.
10. should counsel students to take only a reasonable number of those tests necessary for their postsecondary plans, without regard to the impact the test results may have on the school profile report.
11. should counsel students and families about data, other than test results, that may be submitted as part of the application process.
12. should counsel students about test preparation programs and inform them about alternative programs and/or approaches.
13. should refrain from the public reporting of mean and median admission test scores and instead, report scores by either or both of the following:
 - a) middle 50 percent of *all* students tested by discrete grade level.
 - b) appropriate score bands of *all* students tested by discrete grade level.

C. Independent Counselor Members agree that they

1. will release and report test scores only with students' consent.
2. will avoid comparing colleges and universities solely on the basis of test scores.
3. will avoid undue emphasis on test scores as a measure of students' potential and ability when representing students to colleges and universities.
4. will work with other school officials and other groups to keep test results confidential and in perspective.
5. should inform students about what tests they need for admission, where they may take them, and how to interpret the results in their own contexts.
6. should be knowledgeable about the limitations of standardized tests and counsel students with these limitations in mind.

7. should inform students about the use and validity of test scores, both for admission and as measures of potential and ability.
8. should counsel students and families on how test scores may be used in the admission process by colleges and universities.
9. should counsel students to take only a reasonable number of tests and only those necessary for their postsecondary plans.
10. should counsel students and families about data, other than test results, that may be submitted as part of the application process.
11. should counsel students about test preparation programs and inform them about alternative programs and/or approaches.

D. All other members providing college admission counseling and/or testing services to students agree to adhere to the principles in this Statement.

IV. FINANCIAL AID

This section was revised through a collaborative effort among representatives from the American Association of Collegiate Registrars and Admissions Officers (AACRAO), National Association for Student Financial Aid Administrators (NASFAA), the College Scholarship Service (CSS) and NACAC. Member institutions of NACAC are encouraged to support the principle of distributing financial aid funds on the basis of proven financial need. Financial need is defined as the difference between a student's total annual educational expenses and the amount the student and his or her family is expected to pay. In other words, the equation for determining financial need is "cost of attendance" minus the "expected family contribution" equals "financial need." Members agree that financial aid should be offered to candidates in the forms of grants, scholarships, loans, or employment, either alone or in combination. Members agree that financial aid should be viewed as supplementary to the efforts of students' families when students are not self-supporting.

A. College and University Members agree that they

1. will, to the extent possible, through their publications and communications, provide students, families, and schools with the most current, clear, factual and comprehensive information about their institutions' total costs of attendance (both direct and indirect), when referencing institutions' finan-

cial aid opportunities and practices, including practices for international students.

2. will utilize a consistent and equitable needs analysis methodology in determining the expected financial contribution of candidates' families and in making the expected estimates or awards of the amount of financial aid which may be available to them after documentation.
3. will notify accepted aid applicants of institutional financial aid decisions before the date by which a reply must be made to the offer of admission, assuming all requested application forms are in on time.
4. will state clearly policies on renewal of financial aid which will typically include a review of their current financial circumstances.
5. will permit first-year candidates for fall admission to choose, without penalty, among offers of financial aid until May 1. Colleges that solicit commitments to offers of need-based and/or merit-based financial aid prior to May 1 may do so provided those offers include a clear statement that written requests for extensions until May 1 will be granted, and that such requests will not jeopardize a student's status for housing and/or financial aid. Candidates admitted under an early decision program are a recognized exception to this provision.
6. will not publicly announce the amount of need-based aid awarded to individuals; however, amounts of no-need scholarship awards to individuals may be a matter of public record.
7. will not knowingly offer financial aid-packages to students who have committed to attend other institutions unless the students initiate such inquiries.
8. will not award grants, including scholarships, or final financial aid packages to students who have not submitted admission applications. Institutions may provide estimated aid packages and information regarding scholarship programs prior to the time an application is filed. Athletic scholarships, which adhere to nationally established signing periods, are a recognized exception to this provision and are viewed in the same light as an early decision agreement.

9. should refrain from using financial need as a consideration in selecting students. This provision shall not apply to international students who are ineligible for United States federal student assistance.
10. should, to the extent possible, within the institutions' capabilities, meet the full need of accepted students.

B. Secondary School Members agree that they

1. will refrain, in public announcements, from giving the amounts of financial aid received by individual students; however, amounts of no-need scholarship awards may be a matter of public record.
2. will not make guarantees of any financial aid or scholarship awards.
3. should not encourage students to apply to particular colleges and universities to enhance their high schools' statistical records regarding the number or amount of scholarship awards received.
4. should advise students who have been awarded financial aid by non-collegiate sources that they have the responsibility to notify the college of the type and amount of such outside aid.

C. Independent Counselor Members agree that they

1. will refrain, in public announcements, from giving the amounts of financial aid received by individual students; however, amounts of no-need scholarship awards may be a matter of public record.
2. will not make guarantees of any financial aid or scholarship awards.
3. should advise students who have been awarded financial aid by non-collegiate sources that they have the responsibility to notify the college of the type and amount of such outside aid.

D. All other members providing college admission and financial counseling services to students agree to adhere to the principles in this Statement.

V. ADVANCED STANDING STUDENTS AND THE AWARDING OF CREDIT

A. College and University Members agree that they

1. will design placement, credit, and exemption policies to augment educational placement opportunities, not to recruit students.
2. will evaluate student competency through the use of validated methods and techniques.
3. will define and publish in the institutions' preadmission information the policies and procedures for granting credit.
4. will evaluate previously earned credit, published by the admitting college or university, in a manner which ensures the integrity of academic standards as well as the principle of fairness to the students.

B. Secondary School Members agree that they

1. will alert students to the full implications of college and university placement, credit, and exemption policies with regard to their educational planning and goals.
2. will make students aware of the importance of accreditation.
3. will make students aware of the possibilities of earning credit through both nontraditional educational experiences and examinations and alternative methods of instruction.

C. Independent Counselor Members agree that they

1. will alert students to the full implications of college and university placement, credit, and exemption policies with regard to their educational planning and goals.
2. will make students aware of the importance of accreditation.
3. will make students aware of the possibilities of earning credit through both nontraditional educational experiences and examinations and alternative methods of instruction.

D. All other members providing admission counseling services to students agree to adhere to the principles in this Statement.