1. Funds are allocated to each college. Multi-campus districts may not alter the amounts allocated to colleges within the district.

2. Funds are to be expended solely for financial aid professional, technical, clerical or temporary help (including student help) who report in a direct line to the Financial Aid Director. Funds may not be used for personnel at the Financial Aid Manager or Director level or above.

3. Funds may be used for computer hardware or software necessary for and solely dedicated to the delivery of student financial aid.

4. Funds may be used for expenses associated with staff training.

5. Funds may be used for the development and production of financial aid outreach materials.

6. Funds may not be used for capital outlay or office supplies.

7. Funds may not be used for expenditures made or liabilities incurred prior to July 1 of the applicable fiscal year. Funds must be specifically encumbered or spent during the applicable fiscal year.

8. Any request for exceptions to the requirements above must be made in writing. The request must identify the academic year involved, an estimate of the amount to be spent and the reason for the request. No exceptions to these guidelines are allowed without prior written approval by the Chancellor’s Office.

9. Funds must supplement, not supplant, college expenditures for financial aid administration. Colleges must demonstrate Maintenance of Effort MOE as defined in the Education Code the Budget Act and by the Board of Governors.

10. Colleges that fail to comply with MOE requirements are subject to a dollar for dollar reduction of the colleges 2% funding as a penalty for supplanting college expenditures with categorical funding.

11. As of March 15 or a later date designated by the Chancellor’s Office, funds not expended or obligated for expenditure during the fiscal year must be reported to the Chancellor’s Office for reallocation.

12. Colleges that return funds in excess of one percent of their allocation after the end of the fiscal year without releasing such funds for reallocation will receive a dollar-for-dollar reduction in their next administrative allowance allocation. The reduction will equal the previous year’s unexpended amount minus one percent of the previous year’s allocation.

13. Districts are expected to account for these funds separately. Documentation of expenditures must be maintained and provided to the Chancellor’s Office upon request to demonstrate compliance.

Note: The above Expenditure Guidelines are not applicable to the BFAP Fee Waiver Revenue backfill Allocation (the “2 Percent” Fund). The “2 Percent” funds may be used in any manner in which other fee revenue is used and do not necessarily have to be spent in the administration of student financial aid programs.