

**GOVERNORS STATE UNIVERSITY
CODE OF CONDUCT AND STATEMENT OF ETHICAL PRINCIPLES
FOR FINANCIAL AID PROFESSIONALS**

I. Purpose of Code of Conduct.

The primary goal of the financial aid professionals and administrators (“Financial Aid Professionals”) working on behalf of the Office of Financial Aid at Governors State University (“GSU”), be they officers, employees, or agents, is to help GSU’s students achieve their educational goals through financial support and resources. GSU’s Financial Aid Professionals are also the stewards of GSU’s eligibility to participate in Federal, State, and institutional financial aid programs. Accordingly, GSU expects and requires its Financial Aid Professionals to exemplify the highest level of ethical behavior and demonstrate the highest level of professionalism. The purpose of this Code of Conduct and Statement of Ethical Principles for Financial Aid Professionals (the “Code”) is to:

- Promote honest and ethical conduct and fair dealing in the administration of GSU’s financial aid programs, including Federal aid and education loans awarded under Title IV of the Federal Higher Education Act of 1965 (as amended), 20 U.S.C. § 1070 *et seq.* (“Title IV of the HEA”), state aid awarded under Illinois law, and institutional scholarships (collectively, “Financial Aid Programs”) for the benefit of GSU’s students and prospective students.
- Promote accountability to the federal government, State of Illinois, and taxpayers.
- Promote compliance with applicable laws, policies, rules, and regulations.
- Prescribe procedures for avoiding the appearance of potential conflicts of interest and addressing potential conflicts of interest as they may arise.
- Deter wrongdoing.

II. Scope of Code of Conduct.

This Code applies to all GSU officers, full-time employees, part-time employees, contractual employees, paid and unpaid appointees, and any other agents (collectively, “Employees”) who have or undertake responsibilities with respect to Financial Aid Programs on behalf of GSU, regardless of whether such individuals work in GSU’s Office of Financial Aid.

The obligations in this Code are in addition to requirements imposed by State or Federal laws and regulations (including the U.S. Department of Education’s Federal Student Aid Handbook) and other GSU policies and procedures. To the extent this Code conflicts with any State or Federal law or regulation, the law or regulation will control. Further, it is GSU’s intention that this Code be compatible with the requirements of all collective bargaining agreements to which it is a party. Accordingly, to the extent this Code conflicts with any collective bargaining agreement, the terms of the collective bargaining agreement will control with respect to the employees and subjects covered thereby.

III. Restatement, Amendment, Dissemination, and Publication of Code of Conduct.

GSU has the ability and right to restate, amend or supplement (collectively, to “Alter”) this Code upon approval of the Executive Director of Financial Aid and Scholarships (the “Executive Director”) and the President. On or before the date on which any restatements, amendments, or supplements (collectively, “Alterations”) become effective, the Executive Director, or his or her designee, shall disseminate a copy of the Altered Code to all individuals employed in GSU’s Office of Financial Aid by email with a notification that the Code has been Altered. Contemporaneously with the dissemination of the Altered Code by email, the Office of Financial Aid shall cause a copy of the Altered Code to be published prominently on GSU’s website on the Office of Financial Aid’s webpage: https://www.govst.edu/Admissions/Financial_Aid/

Each year, no later than July 15, the Executive Director, or his or her designee, shall disseminate a then-current copy of the complete Code to all individuals employed in GSU’s Office of Financial Aid so that they are all personally informed of the provisions of the Code on an annual basis.

The Executive Director, or his or her designee, shall provide a then-current copy of the complete Code to each new Office of Financial Aid employee within fifteen (15) days of such new employee’s hiring or transfer.

Further, the Executive Director, or his or her designee, is tasked with ensuring that a current copy of the Code is published on GSU’s website on the Office of Financial Aid’s webpage for public review.

IV. Duties of Financial Aid Professionals: Statement of Ethical Principles.

In administering Financial Aid Programs, GSU’s Financial Aid Professionals shall:

Advocate for Students.

- Remain aware of issues affecting students and continually advocate for students’ interests at the institutional, State, and Federal levels.
- Support Federal, State and institutional efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.
- Manifest the highest level of integrity.
- Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
- Deal with others honestly and fairly, abiding by their commitments and always acting in a manner that merits the trust and confidence others have placed in them.
- Protect the privacy of individual student financial records.
- Promote the free expression of ideas and opinions and foster respect for diverse viewpoints within the profession.

Support Student Access and Success.

- Commit to removing financial barriers for those who want to pursue postsecondary learning and support each student admitted to GSU.
- Without charge, assist students in applying for financial aid funds.
- Provide services and apply principles that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, other protected class, or economic status.
- Understand the need for financial literacy education and commit to educate students and families on how to responsibly manage expenses and debt.

Comply with Federal and State Laws.

- Adhere to all applicable laws, regulations, and guidance regarding Financial Aid Programs.
- Actively participate in ongoing professional development and continuing education programs to ensure ample understanding of statutes, regulations, guidance, and best practices governing the Financial Aid Programs.
- Encourage colleagues to participate in the financial aid professional associations available to them at the state, regional, or national level and offer assistance to other aid professionals as needed.

Strive for Transparency and Clarity.

- Provide GSU students and parents with the information they need to make good decisions about attending and paying for college.
- Educate students and families through quality information that is consumer-tested when possible, which includes (but is not limited to) transparency and full disclosure on award notices.
- Ensure equity by applying all need-analysis formulas consistently across GSU's full population of student financial aid applicants.
- Inform institutions, students, and parents of any changes in Financial Aid Programs that could affect their student aid eligibility.
- Strive to ensure that cost of attendance components are developed using resources that represent realistic expenses.

Protect the Privacy of Financial Aid Applicants.

- Ensure that student and parent private information provided to GSU by financial aid applicants is protected in accordance with all State and Federal statutes and regulations, including the federal Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. § 1232g, and the federal Higher Education Act of 1965 (as amended), 20 U.S.C. § 1090(a)(3)(E).
- Protect the information on the Free Application for Federal Student Aid ("FAFSA") from inappropriate use by ensuring that this information is only used for the

application, award, and administration of aid awarded under applicable Financial Aid Programs.

Avoid Any Actual, Potential, or Perceived Conflict of Interest.

- Abstain from awarding aid to themselves or their immediate family members.
- Disclose to GSU any involvement, interest in, or potential conflict of interest with any entity with which GSU has a business relationship.
- Provide only information that is accurate, unbiased, and does not reflect preference arising from actual or potential personal gain.

V. Prohibited Conduct.

This Section V sets forth specifically prohibited conduct as required by Title IV of the HEA, *see* 20 U.S.C. §§ 1094(a)(25) and 1094(e) and 34 C.F.R. § 601.21(c), but should not be considered a complete listing of behavior that violates the Code. Other generally applicable GSU policies, such as Policy 52, Interim Policy 78, and general Employee ethical obligations¹ apply to the administration of education loans and other Financial Aid Programs at GSU. While these other policies are not part of this Code, all Employees covered by this Code are expected to conduct themselves consistently with this Code and all other applicable policies, laws, and regulations. To the extent this Code conflicts with any other GSU policy, the more restrictive policy provision will control. **Engaging in unethical or unlawful conduct or otherwise violating or causing GSU to violate this Code will subject an Employee to discipline up to and including discharge.**

A. Ban on Revenue-Sharing Arrangements.

GSU shall not enter into any revenue-sharing arrangement with any lender.

For purposes of this Section, the term “revenue-sharing arrangement” means an arrangement between GSU and a lender under which:

- (1) A lender provides or issues a loan that is made, insured, or guaranteed under Title IV of the HEA to students attending GSU or to the families of such students; and
- (2) GSU recommends the lender or the loan products of the lender, and, in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to GSU or any Employee.

B. Gift Ban.

No Employee who is employed in the Office of Financial Aid or who otherwise has responsibilities with respect to education loans shall solicit or accept any gift from a lender, guarantor, or servicer of education loans, or from any financial aid applicant (or his or her family), or from any entity doing business with or seeking to do business with GSU in any capacity.

¹ Such “general Employee ethical obligations” include, but are not limited to, the gift ban, reporting, and whistleblower protection provisions of the Illinois State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq.*

For purposes of this Section, the term “gift” means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a *de minimus* amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred. The term “gift” does not include any of the following:

- (1) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
- (2) Food, refreshments, training, or informational material furnished to an Employee as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to GSU, if such training contributes to the professional development of the Employee.
- (3) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by GSU if such terms, conditions, or benefits are comparable to those provided to all GSU students.
- (4) Entrance and exit counseling services provided to borrowers to meet GSU’s responsibilities for entrance and exit counseling as long as (i) GSU’s staff are in control of the counseling (whether in person or via electronic capabilities); and (ii) such counseling does not promote the products or services of any specific lender.
- (5) Philanthropic contributions to GSU from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
- (6) State education grants, scholarships, or financial aid funds administered by or on behalf of a state.

A gift to a family member of an Employee or to any other individual based on that individual’s relationship with the Employee shall be considered a gift to the Employee if (x) the gift is given with the knowledge and acquiescence of the Employee; and (y) the Employee has reason to believe the gift was given because of the official position of the Employee.

C. Prohibited Contracting Arrangements.

An Employee who is employed in the Office of Financial Aid or who otherwise has responsibilities with respect to education loans shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

However, nothing in this Section shall be construed as prohibiting:

- (1) An Employee who is not employed in GSU’s Office of Financial Aid and who does not otherwise have responsibilities with respect to education loans from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;
- (2) An Employee who is not employed in GSU’s Office of Financial Aid but who has responsibility with respect to education loans as a result of a position held at GSU

- from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if GSU has a written conflict of interest policy that clearly sets forth that Employees must recuse themselves from participating in any decision of the board regarding education loans at GSU; or
- (3) An officer, employee or contractor of a lender, guarantor, or servicer of education loans from serving as a trustee of GSU, if GSU has a written conflict of interest policy that the trustee must recuse themselves from any decision regarding education loans at GSU.²

D. Prohibited Interaction with Borrowers.

GSU shall not, for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender or refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

A borrower's choice of a lender shall not be denied, impeded, or unnecessarily delayed by GSU. Further, borrowers will not be auto-assigned to any particular lender.

E. Prohibition on Offers of Funds for Private Loans.

GSU shall not request or accept from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for GSU providing concessions or promises regarding providing the lender with (1) a specified number of loans made, insured, or guaranteed under Title IV of the HEA; (2) a specified loan volume of such loans; or (3) a preferred lender arrangement for such loans.

In this Section, the term "opportunity pool loan" means a private education loan made by a lender to a student attending GSU or the family member of such a student that involves a payment, directly or indirectly, by GSU of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

F. Ban on Staffing Assistance.

GSU shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

However, nothing in this Section shall be construed to prohibit GSU from requesting or accepting assistance from a lender related to:

- (1) Professional development training for Financial Aid Professionals;
 - (2) Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials;
- or

² The language of Subsections V.C(2)-(3) is included in this Code pursuant to 20 U.S.C. § 1094(e)(3)(B) and 34 C.F.R. § 601.21(c)(3). GSU has adopted a relevant written conflict of interest policy, which can be found in Section VII of this Code.

- (3) Staffing services on a short-term, nonrecurring basis to assist GSU with financial aid-related functions during emergencies, including state-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the U.S. Secretary of Education.

G. Ban on Advisory Board Compensation.

Any Employee who is employed in the GSU Office of Financial Aid, or who otherwise has responsibilities with respect to education loans or other GSU student financial aid, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the Employee may be reimbursed for reasonable and actual expenses incurred in serving on such advisory board, commission, or group.

VI. Additional Obligations of Financial Aid Professionals.

A. Contents of Notifications and Other Materials.

GSU award notifications and/or other materials provided by GSU shall include the following:

- (1) A breakdown of individual components of GSU's cost of attendance;
- (2) Clear identification of each award, indicating the type of aid, *i.e.* gift aid (grant, scholarship), work, or loan;
- (3) Standard terminology and definitions; and
- (4) Renewal requirements for each award.

For purposes of this Section, the term "cost of attendance" means the estimated cost of attending GSU including direct costs (expenses paid directly to GSU) and indirect costs (expenses incurred as a result of attendance that the student/family may have to pay to a third party).

B. Consumer Information.

All required consumer information shall be displayed in a prominent location on the GSU website and in any printed materials, easily identified and found, and labeled as "Consumer Information."

VII. Conflicts of Interest Related to Financial Aid.

It shall be an impermissible conflict of interest, in violation of this Code, for an officer, employee or contractor of a lender, guarantor, or servicer of education loans under Title IV of the HEA ("Lender") to serve as a trustee on the GSU Board of Trustees **unless such trustee recuses himself or herself from participating in any decision on behalf of the Lender regarding education loans at GSU.** Any officer, employee or contractor of a Lender who is appointed as a trustee of GSU must submit to the Chair and the Secretary of the GSU Board of Trustees, as soon as practicable, a signed, written statement acknowledging this conflict of interest provision in this Policy and agreeing to recuse himself or herself in accordance with this Section and as contemplated by Title IV of the HEA at 20 U.S.C. § 1094(e)(3)(B)(iii) and 34 C.F.R. § 601.21(c)(3)(iii).

It shall be an impermissible conflict of interest, in violation of this Code, for any Employee who is not employed in GSU's Office of Financial Aid but who has responsibility with respect to education loans as a result of his or her position at GSU to perform paid or unpaid service on a board of directors of a Lender **unless such Employee recuses himself or herself from participating in any decision of the board regarding education loans at GSU**. Any Employee covered by the preceding sentence must submit to the President, as soon as practicable, a signed, written statement acknowledging this conflict of interest provision in this Policy and agreeing to recuse himself or herself in accordance with this Section and as contemplated by Title IV of the HEA at 20 U.S.C. § 1094(e)(3)(B)(ii) and 34 C.F.R. § 601.21(c)(3)(ii).

VIII. No Creation of Rights.

This Code does not, and may not be interpreted to, create any rights for any person or entity other than GSU. Nothing in this Code may be construed as altering the employment relationship between GSU and any Employee. Application of progressive discipline pursuant to this Code to Employees who serve at-will is discretionary and does not affect the at-will status of any such Employee. Employees in supervisory positions or in positions with the ability to recommend employee discipline will comply with applicable law and collective bargaining agreements when imposing discipline pursuant to this Code.

This Code was adopted in part from the National Association of Student Financial Aid Administrators' Statement of Ethical Principles and Code of Conduct for Financial Aid Professionals.

Rescinds: Governors State University Code of Conduct for Financial Aid Professionals

Cross References:

- Anti-Discrimination, Harassment, and Retaliation Policy (Policy 52)
- Title IX and Anti-Sex Discrimination, Harassment and Retaliation Policy (Policy 78)
- Applicable collective bargaining agreements

Applicable Laws and Regulations:

- Illinois State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq.*
- Illinois Higher Education Student Assistance Act, 110 ILCS 947/1 *et seq.*, and related regulations, including 23 Ill. Admin. Code Part 2700
- Federal Higher Education Act of 1965, as amended, 20 U.S.C. § 1094, and related regulations, including 34 C.F.R. Part 601

RECOMMENDED: John Perry

Digitally signed by John Perry
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John Perry, Ed.D.,
Executive Director of Financial Aid and Scholarships

APPROVED: Cheryl Green

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Cheryl Green, Ph.D., President