§ 1096. Administrative expenses

(a) Amount of payments

From the sums appropriated for any fiscal year for the purpose of the program authorized under subpart 1 of part A of this subchapter, the Secretary shall reserve such sums as may be necessary to pay to each institution with which he has an agreement under section 1094 of this title, an amount equal to $5 for each student at that institution who receives assistance under subpart 1 of part A of this subchapter. In addition, an institution which has entered into an agreement with the Secretary under subpart 3 of part A of this subchapter or part C of subchapter I of chapter 34 of title 42, or under part D of this subchapter shall be entitled for each fiscal year which such institution disburses funds to eligible students under any such part to a payment for the purpose set forth in subsection (b) of this section. The payment for a fiscal year shall be payable from each such allotment by payment in accordance with regulations of the Secretary and shall be equal to 5 percent of the institution’s first $2,750,000 of expenditures plus 4 percent of the institution’s expenditures greater than $2,750,000 and less than $5,500,000, plus 3 percent of the institution’s expenditures in excess of $5,500,000 during the fiscal year from the sum of its grants to students under subpart 3 of part A of this subchapter, its expenditures during such fiscal year under part C of subchapter I of chapter 34 of title 42 for compensation of students, and the principal amount of loans made during such fiscal year from its student loan fund established under part D of this subchapter, excluding the principal amount of any such loans which the institution has referred under section 1087cc (a)(4)(B) of this title. In addition, the Secretary shall provide for payment to each institution of higher education an amount equal to 100 percent of the costs incurred by the institution in implementing and operating the immigration status verification system under section 1091 (g) of this title.

(b) Purpose of payments

(1) The sums paid to institutions under this part are for the sole purpose of administering the programs described in subsection (a) of this section.

(2) If the institution enrolls a significant number of students who are

(A) attending the institution less than full time, or

(B) independent students, the institution shall use a reasonable proportion of the funds available under this section for financial aid services during times and in places that will most effectively accommodate the needs of such students.


Prior Provisions

Amendments

2009—Subsec. (a). Pub. L. 111–39 substituted “has referred under section 1087cc (a)(4)(B)” for “has agreed to assign under section 1087cc (a)(6)(B)” and “1091(g)” for “1091(h)”.


Pub. L. 103–208, § 2(h)(44), substituted “1091(h) of this title” for “1091(c) of this title”.


Pub. L. 102–325, § 493(a)(1), (2), struck out “(other than section 2756a of title 42)” before “, or under part D” in second sentence and struck out fourth sentence which read as follows: “The payment for a fiscal year for the purpose of subsection (b) of this section with respect to section 2756a of title 42 shall be payable from each allotment under part C of subchapter I of chapter 34 of title 42 in accordance with regulations of the Secretary, and shall be 10 percent of the institution’s expenditures during such fiscal year under such section.”

Pub. L. 102–325, § 446(c), which directed amendment identical to amendment by Pub. L. 102–325, § 493(a)(1), (2), above, was repealed by Pub. L. 103–208, § 2(k)(6).

Subsec. (b). Pub. L. 102–325, § 493(b), designated existing provisions as par. (1) and added par. (2).

1987—Subsec. (a). Pub. L. 100–50 made technical amendment to reference to section 2756a of title 42 to correct reference to corresponding section of original Act, requiring no change in text.

1986—Subsec. (a). Pub. L. 99–603 inserted provision directing the Secretary to pay the costs incurred by institutions of higher education in implementing and operating the immigration status verification system under section 1091 (c) of this title.

Effective Date of 2009 Amendment


Effective Date of 1993 Amendment

Amendment by Pub. L. 103–208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102–325, except as otherwise provided, see section 5(a) of Pub. L. 103–208, set out as a note under section 1051 of this title.

Effective Date of 1992 Amendment

Amendment by section 446(c) of Pub. L. 102–325 effective Oct. 1, 1992, see section 2 of Pub. L. 102–325, set out as a note under section 1001 of this title.

Amendment by section 493 of Pub. L. 102–325, relating to payments for administrative expenses, applicable with respect to funds provided for award years beginning on or after July 1, 1993, see section 498(7) of Pub. L. 102–325, set out as a note under section 1088 of this title.

Effective Date of 1987 Amendment


Effective Date of 1986 Amendment