



Title IV Compliance Guide for Cosmetology Schools

STEP-BY-STEP HELP FOR YOUR TITLE IV AUDIT

At *MBE CPAs*

We specialize in helping cosmetology schools navigate Title IV compliance and audits. This guide will walk you through the key steps to ensure your institution meets federal requirements and remains in good standing.



Introduction: *What This Guide Covers*

- Understanding Title IV and its importance for cosmetology schools
- How to use this guide to prepare for an audit

1 Are You Eligible for Title IV?

✓ Your school is accredited and licensed

- Your institution must be accredited by a U.S. Department of Education-recognized accrediting agency
 - [Check the list of recognized accrediting agencies](#)
- Your school must be licensed by the appropriate state regulatory agency
 - (Check with your state education department)

✓ Your programs meet federal requirements

- Programs must meet minimum clock-hour requirements for federal aid eligibility.
 - [Check the Federal Student Aid Handbook for details](#)

✓ You follow state & federal consumer protection laws

- Schools must comply with student consumer protection laws
 - [Check the FTC education guidelines](#)



2 Are Your Students Eligible?

✓ They have a high school diploma or GED

- Students must have a recognized high school diploma, GED, or equivalent
 - [More on student eligibility](#)

✓ They completed the FAFSA

- Students must complete the Free Application for Federal Student Aid (FAFSA)
 - [FAFSA website](#)

✓ They are U.S. citizens or eligible non-citizens

- [Citizenship and residency requirements](#)

3 Are You Handling Financial Aid Correctly?

✓ You calculate tuition, grants, and loans properly

- [Cost of Attendance \(COA\) guidelines](#)

✓ You disburse funds to students on time

- [Federal rules on disbursing Pell Grants and Direct Loans](#)

✓ You return unused funds when students withdraw (R2T4)

- [Return of Title IV funds \(R2T4\) requirements](#)

4 Are You Meeting Reporting Requirements?

✓ Your website has a Net Price Calculator

- Schools must provide a net price calculator on their website
 - [U.S. Department of Education's Net Price Calculator tool](#)

✓ You provide gainful employment disclosures

- [Gainful employment requirements](#)

✓ You complete your annual compliance audit

- Schools must complete an annual Title IV audit
 - [Title IV audit guide](#)

5 Are You Helping Students with Loans?

✓ You provide entrance and exit counseling

- [Required entrance and exit counseling for student borrowers](#)

✓ You track student loan repayment and defaults

- [Loan default prevention resources](#)

✓ You have a plan to help students avoid loan default

- [Federal guidelines for loan repayment options](#)

Next Steps & *Resources*



[Federal Student Aid \(FSA\) Knowledge Center](#)
[U.S. Department of Education Compliance Guide](#)
[Title IV Audit & Financial Responsibility](#)



Need Help with Your Title IV Compliance?

Navigating Title IV requirements can be complex, but you don't have to do it alone. At MBE CPAs, we specialize in guiding cosmetology schools through audits, financial compliance, and federal reporting.

CONTACT US TODAY

to ensure your school is fully compliant and prepared for your next audit.

Visit our website

<https://mbe.cpa/title-iv-audits-beauty-schools/>