



NOVA SOUTHEASTERN UNIVERSITY
University Policy

Policy Title:	Incentive Compensation
Policy Number	
Approval Authority:	
Responsible Executive:	Vice President of Human Resources
Responsible Office:	Office of Human Resources
Responsible Officer:	
Policy Category:	Human Resources/Compensation
Effective Date:	June 27, 2025
Next Review Date:	

I. POLICY STATEMENT

This policy is established to ensure compliance with the Title IV incentive compensation rules and related guidance materials issued by the U.S. Department of Education. The policy prohibits awarding commissions, bonuses, or other incentive payments to employees or entities based in any part, directly or indirectly, on securing student enrollments or the awarding of federal student aid. However, NSU encourages employee excellence through qualitative performance evaluations unrelated to enrollment or financial aid outcomes.

II. SCOPE

This policy applies to all NSU employees and third parties who are engaged or involved in covered activities on behalf of NSU, as defined below, including but not limited to student recruitment, admissions, financial aid, and other activities associated with securing student enrollments or the awarding of federal student aid. In addition, the policy also applies to all higher level NSU employees with responsibility for supervision or management of the recruitment or admission of students, or for supervision or management of personnel making decisions about awarding Title IV funds, even if their work also includes other activities.

Higher level employees who 1) have responsibility solely for policy decisions related to the manner in which recruitment, enrollment, or financial aid will be pursued or provided; 2) who have no direct management responsibility for recruitment or admissions activities or for decisions about

awarding Title IV funds; and 3) do not engage in, and are not involved in, individual student contact, decisions about awarding Title IV funds, or other covered activities, may be determined to be exempt from this policy upon the prior written approval from the NSU Office of Human Resources [and the NSU Office of Legal Affairs].

III. DEFINITIONS

What constitutes prohibited incentive compensation? The U.S. Department of Education's guidance describes the following two-part test for determining whether a payment is incentive compensation:

1. Is the payment a commission, bonus, or other incentive payment, defined as an award of a sum of money or something of value paid to or given to a person or entity for services rendered?
2. Is the commission, bonus, or other incentive payment provided to any person based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid?

If the answer to both questions is "yes," the payment would be prohibited.

Covered Activities: The U.S. Department of Education defines covered activities as those related to recruitment, admissions, enrollment, and the awarding of federal student aid under Title IV of the Higher Education Act. Covered activities include, but are not limited to:

Recruitment Activities:

- Contact in any form with a prospective student, such as, but not limited to, contact through preadmission or advising activities, scheduling an appointment to visit the enrollment office or any other office of the institution, attendance at such an appointment, or involvement in a prospective student's signing of an enrollment agreement.
- Contacting potential students to encourage them to apply for admission.
- Participating in activities intended to influence a student's decision to enroll or to continue their education at the institution.
- Making decisions regarding a student's eligibility for admission.
- Aiding students in filling out enrollment application information.
- Supervising or managing employees who perform these functions if the supervisor's commission, bonus, or other incentive payment is based, in any way, on success in securing student enrollments.

Services Related to Securing Financial Aid:

- Assisting students with completing application materials for financial aid, including completing financial aid applications on behalf of prospective applicants.
- Making decisions regarding a student's eligibility for financial aid.

- Participating in activities that have a direct impact on securing financial aid awards.
- Supervising or managing employees who perform these functions if the supervisor's commission, bonus, or other incentive payment is based, in any way, on financial aid awards.

Commission, Bonus, or Other Incentive Payment: A sum of money or something of value, other than a fixed salary or wages, paid to or given to a person or an entity for services rendered. This includes but is not limited to salary increases, commissions, bonuses, benefits, gifts, prizes, tuition reimbursement, travel, promotions, or any other thing of value that could be construed as an incentive for securing enrollments or financial aid awards. Any financial or non-financial benefit that could serve as an incentive to secure enrollments or financial aid awards is prohibited. Examples include:

- Providing salary adjustments, bonuses, or other payments based in any part, directly or indirectly, on success in securing enrollments or awarding federal student aid.
- Offering payments, prizes, or gifts tied to enrollment numbers or financial aid awards.
- Awarding commissions or bonuses for the number of students enrolled or awarded federal student aid.
- The award of promotions based, in any part, directly or indirectly, on securing student enrollments or the award of federal student aid.
- Providing any compensation that is directly or indirectly tied to success in securing student enrollments or financial aid awards.

IV. POLICY

NSU strictly prohibits any form of commission, bonus, or other incentive payment that is based in any part, directly or indirectly, on securing student enrollments or the awarding of federal student aid, in accordance with 34 C.F.R. § 668.14(b)(22).

Approval of Compensation Adjustments, Payments, and Promotions: All compensation plans, merit increases, non-salary payments (e.g., overloads, gift cards, bonuses, etc.), promotions, or other payments or forms of compensation covered by this policy made to individuals engaged in covered activities require the prior written approval from the NSU Office of Human Resources [and the NSU Office of Legal Affairs]. This policy prohibits any form of compensation or other award and incentive payments or benefits of any kind with respect to any covered activities without the prior written approval from the NSU Office of Human Resources [and the NSU Office of Legal Affairs].

Third-Parties: Any proposed arrangements with third parties, including with external vendors or individuals who are otherwise not employed by NSU that involve or relate in any respect to recruitment, admissions, lead generation, marketing to or solicitation of prospective students, retention, financial aid or any other potential covered activity(s) must first be reviewed by the NSU

Office of Human Resources and then reviewed and approved by university legal counsel prior to execution of such arrangements, to ensure that the terms and conditions of the agreement and any compensation structures included therein are in compliance with this policy and U.S. Department of Education regulations pertaining to the prohibition on incentive-based compensation.

Employee Performance Evaluations: Employees engaged in covered activities may only be evaluated based on permissible non-incentive-based qualitative factors, including:

- Job knowledge and professionalism
- Analytical abilities
- Initiative in work improvement
- Clarity in communications
- Use and understanding of technology
- Traits such as accuracy, thoroughness, dependability, punctuality, adaptability, peer rankings, student evaluations, and interpersonal relations.

Evaluating employees that are engaged in covered activities based on any criteria other than those expressly outlined above are prohibited without prior written approval from the NSU Office of Human Resources.

Supervisors of employees engaged in covered activities are responsible for ensuring that said employees are evaluated solely by the criteria detailed above or otherwise approved by the NSU Office of Human Resources. Such supervisors shall [adhere strictly within the parameters of the written compensation plan applicable to each employee engaged in covered activities and shall] not maintain, utilize, or disseminate any evaluation criteria or methodologies, oral or written.

Non-Salary Payments and Benefits: Payments or benefits provided to employees engaged in covered activities other than their regular wages are prohibited without the prior express approval by the NSU Office of Human Resources, regardless of whether the payment is monetary or in-kind.

Multiple Compensation Adjustments or Payments in a Calendar Year: Employees engaged in covered activities may not receive multiple salary adjustments or payments within a single calendar year without prior written approval from the NSU Office of Human Resources to ensure that such adjustments or payments do not create compensation that is based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid.

International Student Recruitment: A limited exception exists for the recruitment of international students, residing abroad, who are ineligible to receive federal student aid. However, any compensation plans or agreements related to international student recruitment must still be reviewed and approved by university legal counsel prior to implementation to ensure compliance with applicable regulations.

V. POLICY PROCEDURES

Any unit seeking to implement or modify compensation as covered by this policy must request a compensation review of the proposed program or payment from the OHR Compensation Analyst.

VI. ENFORCEMENT

NSU employees deemed to be in violation of this policy may be subject to corrective action, up to and including, termination of employment. NSU employees should report known or suspected violations of this policy to the Office of Human Resources immediately at hr4u@nova.edu or 954-262-4748.

VII. INFORMATIONAL CONTACT

Any question or concern regarding potentially violative conduct under this policy should be brought to the attention of the Vice President of Human Resources. If you would like further information on the Incentive Compensation Policy or have additional questions about the prohibitions on incentive-based compensation, please contact the NSU Office of Human Resources at hr4u@nova.edu or 954-262-4748.

VIII. REVISION HISTORY

NEW

IX. RELATED FORMS

There are no forms related to this policy.

APPROVAL



Harry K. Moon, M.D.
President & Chief Executive Officer

June 26, 2025

Date



Ronald J. Chenail, Ph.D.
Executive Vice President, Provost and
Chief Academic Officer

June 26, 2025

Date