

Client Procedures Manual

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Table of Contents

Introduction Award Processing Overview Division of Responsibilities

Section 1	TEAM System Setup
Section 2	FAFSA Applications
Section 3	Federal Pell Grant Program
Section 4	Federal Direct Student Loan Program
Section 5	Federal Campus Based Programs
	Section 5.1 Federal SEOG
	Section 5.2 Federal Work Study (FWS)
	Section 5.3 Federal Perkins Loan
Section 6	Processing First Payments
Section 7	Processing Subsequent Payments
Section 8	Verification
Section 9	“C” Code Resolutions
	Section 9.1 Conflicting Information
Section 10	NSLDS Processes
Section 11	Federal Cash Management
	Section 11.1 G5 Federal Fund Drawdowns
	Section 11.2 Disbursing Federal Funds
	Section 11.3 Federal Reporting
	Section 11.4 Audits
Section 12	Return of Unearned Funds (R2T4)
Section 13	Technical Support & Program Compliance FSA Calendar of Events
Section 14	Direct Loan Quality Assurance
Appendix A	<i>TEAM Academic Program Record Form</i>
Appendix B	<i>TEAM Cost of Attendance Budget Determination</i>
Appendix C	<i>TEAM User Authorization Form</i>
Appendix D	<i>Student Responsibilities for Federal Aid Application</i>
Appendix E	<i>Campus-Based Program Recipient Selection Policy</i>
Appendix F	<i>Verification Policy, Procedures, & Forms</i>
Appendix G	<i>Return of Unearned Funds (R2T4) Policy & Form</i>
Appendix H	<i>Sample FSA Credit Balance Authorization Form</i>
Appendix I	<i>Sample Leave of Absence Policy</i>
Appendix J	<i>Sample Satisfactory Academic Progress Policy</i>

Introduction

Dear Client,

I would like to take this opportunity to thank you for choosing GEMCOR Inc. to fulfill your professional Title IV servicing needs, and to welcome you to our family of clients. All of us at GEMCOR look forward to a long and productive relationship with your institution.

The administration of your federal student aid programs is a collaborative effort between our companies. Your student awards can be processed accurately and effortlessly through our state of the art, web-based TEAM software system. This manual will provide you with the guidance necessary to have your financial aid programs efficiently administered by proven systems, and by our professional and experienced personnel. Web-based award processing is the most cost effective, versatile, accurate, and expedient process available today for federal student aid (FSA) administration. Our TEAM system is one of the most comprehensive FSA records management systems in the country with hundreds of built in edits and formulas to ensure strict compliance with Title IV award calculations in any academic environment. Whether you offer 4-year bachelor's degree programs or short-term clock hour programs leading to diplomas/certificates, GEMCOR's systems can accommodate your curricula in any collegiate environment.

In addition to our data processing services regarding your FSA activity, GEMCOR is there for you for any technical support, consulting, or simple Q&A assistance relative to federal student aid administration. We will be sending periodic emails and other correspondence which include regulatory updates, procedural changes, and general information to help you more effectively handle your on-campus responsibilities. Our home screen of the web-based TEAM system also provides an announcement board for effective mass communication as well. These notifications should be shared with all individuals communicating with our office, and should be retained for future reference. The more knowledgeable you are about federal aid issues, the more efficient our services will work for your institution.

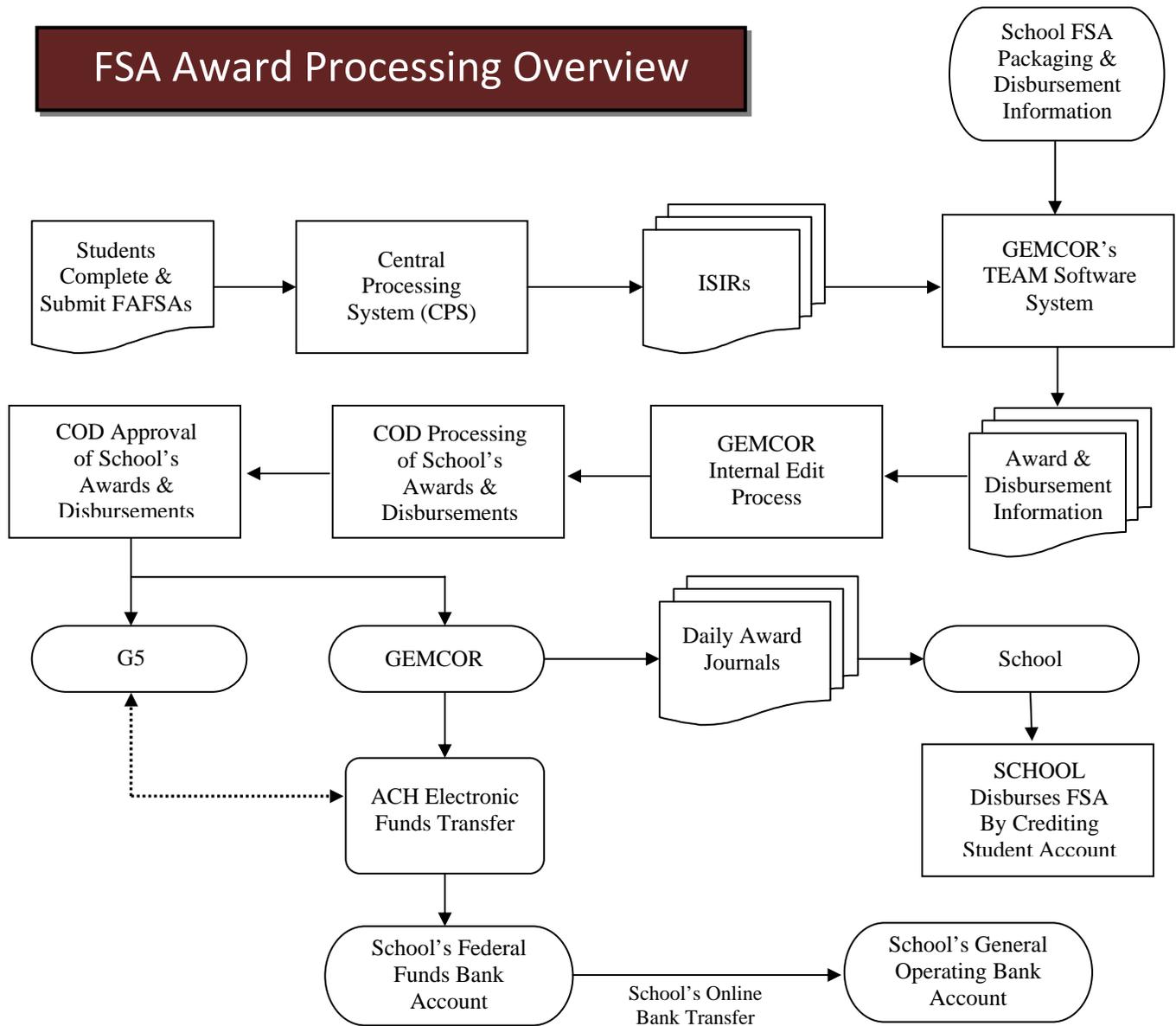
Please feel free to visit our web site anytime at www.gemcorinc.com. This source provides you and your staff with 24/7/365 access to our TEAM Software System for federal student aid management as well to all of our publications including training materials, policy templates and samples, administrative forms, and online training videos. Updates to these materials are also disseminated by our office periodically through electronic mail. Should you ever need replacement forms, simply give us a call and we will forward them to you, or simply download them from www.gemcorinc.com.

In our continuing effort to provide the best possible service to you, we welcome any suggestions you have about how we can better assist you. We would be happy to customize some forms or to accommodate you in any way possible. As always, do not hesitate to contact us with your questions.

Best regards,

Donald R. Grybas
President
GEMCOR Inc.

FSA Award Processing Overview



The flowchart above represents a general overview of how your school's HEA, Title IV federal student financial assistance funds are processed using GEMCOR, Inc.'s services. Although there are a number of alternate processes that can be interjected at several points in the flowchart, the basic process starts with the submission of a student's Free Application for Federal Student Aid (FAFSA) to the Department of Education's Central Processing System (CPS). This FAFSA will result in an Institutional Student Information Record (ISIR) which is the core document necessary to award any federal financial aid. After receipt of ISIRs into our Team Software System, the school may then initiate Pell, Campus Based, or Direct Loan award requests in the TEAM System. GEMCOR extracts award requests from TEAM daily, and processes the necessary electronic reports to secure approval of your students' awards from the COD/USDE.

Upon receipt of USDE approval, you will receive Daily Award Journal reports containing approved student award information. At this time, you would disburse these funds to your students by crediting their accounts with the amounts of their awards per the journal. Federal funds necessary to cover the disbursements you make each day will be electronically deposited into your federal funds bank account by the USDE contractor. At that point, you would simply transfer the total amount of the daily awards per the journal from your federal aid account into your operating account. Federal funds do not flow through GEMCOR at any point. All federal dollars for eligible student awards are sent directly to the institution by the USDE cash management system known as "G5".

This flowchart is extremely basic and is not to be construed as all-inclusive. Many other functions are performed as necessary. Please consult the other chapters of this manual for detailed information.

Division of FSA Related Responsibilities

The institution cannot subcontract its fiduciary duties for the administration of federal student financial aid programs to outside agencies including third party service companies. The institution remains responsible for the proper administration of Title IV program awards. The relationship between the institution and GEMCOR is one that provides for support services including consulting, data processing, reporting, and reconciliation but each organization maintains an obligation to act as a fiduciary regarding the administrative functions within the control of that organization. The following list is not to be viewed as all-inclusive. However, it does serve as guidance regarding the general responsibilities of the institution and the general responsibilities of GEMCOR. Specific responsibilities are outlined in your Service Agreement with GEMCOR:

Institutional Responsibilities:

- State licensure, accreditation, and USDE eligibility and certification for facilities and programs.
- Institutional policies and procedures
- Consumer information
- Student contact and advisement
- Attendance and academic progress documentation
- Confirmation of student eligibility
- Disbursement of federal student aid to eligible recipients
- On-campus staff management
- Withdrawal determination and calculations
- Placement and enrollment reporting
- Protection of personally identifiable information (PII) from unauthorized access

As indicated below, GEMCOR will provide consulting and management advisory services in any area within the responsibilities of institutional staff.

GEMCOR Responsibilities:

- Consulting and advisory services in areas related to federal student aid administration
- Provide unlimited use of its web-based Title IV Electronic Awards Management System (TEAM)
- Regulatory and procedural training in areas of federal aid administration
- Unlimited general, daily technical support and Q&A regarding federal aid administration
- Electronic transfer of CPS data (student ISIR information) for the institution
- Verification and C code file review if necessary
- Determination of program eligibility and academic year definitions
- Determination of recipients' Title IV award amounts and resulting award letters
- Report to the USDE, Title IV disbursements made by the institution to eligible recipients
- Initiate electronic transfers of Title IV funds to the institution for disbursement to students by the institution
- Reconciliation of student award information in COD with G5 cash accountability
- Reconciliation of Title IV fund activity with the institution's monthly federal funds bank account statement
- Obtain additional confirmation of student eligibility from the institution for Title IV disbursements
- Periodic reviews of sampled student files in accordance with federal regulations
- Prepare and submit annual FISAP reports
- GEMCOR staff management
- Protection of personally identifiable information (PII) from unauthorized access

Many functions involved in the efficient and accurate administration of federal student aid program funds are performed through a combination of processes between the institution and GEMCOR. Both agencies are required to have adequate staffing, effective communication, and strong internal controls to ensure administrative compliance. The following pages contain the Servicer Information Sheet from GEMCOR's annual compliance audit which further describes the responsibilities of GEMCOR and the institution regarding Title IV aid administration.

Section 1

TEAM System Setup

Your students' federal student aid awards are packaged and managed by GEMCOR's state of the art, web-based Title IV Electronic Awards Management Software System known as TEAM. Our TEAM system has all of the necessary built-in edits to ensure the accurate determination of your students' federal aid awards. TEAM uses a combination of program profiles, cost of attendance profiles, and user profiles to efficiently, accurately, and securely administer your students' federal awards.

Program Profiles

Due to the complex nature of federal regulations regarding the proper determination of students' awards, GEMCOR does not allow the institution to create program profiles in the TEAM system. A program's length, academic year definition, and payment period structure are key elements to the proper determination of students' awards. Therefore, to ensure that your program profile is created in accordance with federal regulations, and that the use of that profile will result in accurate award calculations, GEMCOR requires that the institution first complete an Academic Program Record form. This form can be found in Appendix A to this manual. A separate form is required for each educational program offered by the institution.

When GEMCOR receives your completed forms, it will:

- confirm that your program is included on your USDE eligibility and certification approval report (ECAR) if required,
- determine the proper academic year and payment period definitions,
- create the program's profile in TEAM.

Cost of Attendance Profiles

The amount of federal aid that a student is eligible to receive is limited by a value called *cost of attendance*. The cost of attendance is based on a combination of institutional costs (tuition, fees, books, tools, supplies) and non-institutional costs (room & board, miscellaneous personal expenses, transportation). GEMCOR's TEAM System ensures accurate determinations of costs of attendance through formulas within the system's design. The amounts of institutional costs that are included in the cost of attendance are taken from the Academic Program Record profile as described above. The amount of non-institutional costs that are included in the cost of attendance is based on the TEAM System's determination of the academic year/loan period length and the institution's monthly allowances for room & board, miscellaneous personal expenses and transportation. GEMCOR will create the school's non-institutional cost of attendance monthly allowances in the TEAM System. GEMCOR will also assist the school with developing these monthly allowances. Cost of attendance information and guidance can be found in Appendix B to this manual. Clients should complete and return a Cost of Attendance Budget Data Form and return it to GEMCOR.

The institution is required to notify GEMCOR anytime that it changes its program costs or its COA budget allowances. Failure to notify GEMCOR can result in inaccurate award determinations and potential liabilities.

User Profiles

Each person that the institution wishes to have access to the TEAM system for the administration of federal aid program awards is required to have a unique user account. User accounts are requested and authorized by an official of the institution and can only be created in the TEAM system by GEMCOR. An authorized user must have a unique email address for password change/reset purposes. GEMCOR will not allow multiple users under the same email address or user account. Once a new user account has been created by GEMCOR, the user will receive an email with a temporary password and instructions about changing that password upon their next login. Passwords automatically expire every 90 days to ensure data protection and prevent unlawful system use. Users are not permitted to share their user account with anyone else and risk permanent loss of system access for violating this policy.

The school official can assign a number of different authorities to any user account. The authorities or “roles” that you wish a user to have are included in the User Authorization Form. An institution is permitted to have unlimited user accounts however to ensure the safety and protection of students’ personal information under FERPA, only those employees of the institution who have responsibilities involving federal aid administration on campus should be given user accounts.

Users can be assigned to have only the most limited access to TEAM information which may include only the ability to view and print student ISIR records. Alternatively, a user can be assigned to have full supervisory rights which would allow that user to package awards, approve payments, and approve verification or C code approvals (See Sections 8 and 9 for a discussion about verification and C code topics).

If GEMCOR determines that a user does not possess the requisite skills and knowledge about federal aid administration to be granted full system authority, GEMCOR reserves the right to limit such user’s access and authorities.

In Appendix C of this manual you will find detailed information regarding the various levels of authorities that users can have each with associated descriptions. A separate User Authorization Form is required for each employee that the institution wishes to permit access to students’ federal aid information in TEAM. Upon receipt of the completed User Authorization Forms, GEMCOR will create the requested user accounts for the institution.

The institution is required to notify GEMCOR of any change in personnel regarding employees who have been granted a TEAM user account. Failure to notify GEMCOR can result in the unlawful exposure of personal information to unauthorized parties.

A series of short, procedural, training videos are available about our TEAM System at <http://www.gemcorinc.com/technicalsupport.html>.

Section 2

FAFSA Applications

As stated earlier in this manual, the entire federal aid process begins with the submission of a student's application or FAFSA. There are different ways to process a FAFSA, but clearly the best way is electronically. Students should be advised to electronically file their FAFSAs online. Additionally, if students are applying for federal student loans, they should electronically complete a master promissory note (MPN), and any required loan counseling online as well. This ensures that the student is obtaining the most up to date loan counseling material available.

The United States Department of Education (USDE) operates a web site specifically designed for student use regarding their financial aid processes. This site can be found at www.studentloans.gov. Although the web address identifies the site as "Student Loans" it is actually more of a home page for students to control their federal aid. From this site, students can file FAFSA applications necessary for any type of federal aid, complete electronic master promissory notes (E-MPNs) and loan counseling necessary for federal student loans, and also apply for FSA User IDs. FSA User IDs are necessary as both login security and as an electronic signature on all web-based applications. We recommend that you advise your students to visit this site and complete these tasks online. To satisfy the signature requirements of the FAFSA, the student can either print a certification page from the web site, sign it, and mail it into the USDE or, a more efficient approach is to have them satisfy the signature requirements electronically with their FSA User ID certification. Once a student's FAFSA has been filed and the signature requirement has been met, an Institutional Student Information Record (ISIR) will be produced and returned to GEMCOR electronically. The ISIR is the core document necessary to begin the financial aid awarding process. ISIRs are uploaded into our TEAM System on a daily basis, along with confirmations from the USDE regarding completed E-MPNs and completed loan counseling requirements. Completion of these three requirements by the student is mandatory before any further financial aid determinations or packaging can be done. Once you receive a valid ISIR for a student, you may begin the award packaging process.

The packaging of students' awards and related activity regarding your students' federal aid awards are administered through GEMCOR's state of art, web-based Title IV Electronic Awards Management (TEAM) Software System. GEMCOR will create your institutional profile containing your academic programs, academic year definitions, payment period breakdowns and cost of attendance information to ensure accurate award determinations. Client institutions may have an unlimited number of TEAM System users with various levels of administrative rights. Our TEAM System gives you the flexibility of working on your students' files from any computer with an Internet connection, maintains a detailed electronic record of all student aid activity, and ensures the best possible degree of compliance with USDE regulations regarding the determination of federal student aid award packages.

The three initial responsibilities that a student has to initiate his/her financial aid awards can all be completed at www.studentloans.gov. These include FAFSA completion, E-MPN completion, and Entrance Counseling completion. See Appendix D for instructional information that you can provide to your students. GEMCOR updates this document each year for your convenience. Feel free to provide it to your students or include it on your web sites.

Complimentary support is also available to school administrators toll-free by contacting our office.

Section 3

Federal Pell Grant Program

Processing awards under the Federal Pell Grant program generally begins with the possession by the school of a valid ISIR. Student awards are calculated by GEMCOR's systems based on the student's cost of attendance, program length, academic year definition, expected family contribution (EFC), lifetime eligibility limitation, and enrollment status. Students' award amounts per payment period are scheduled in accordance with the institution's academic calendar and federal regulations and formulas.

For clock hour or credit hour institutions that do not use academic terms, in accordance with USDE Formula #4, the institution must disburse a student's Federal Pell Grant in two payments corresponding with the student's academic progress. The first disbursement can be made at the beginning of the academic year. Then, when the student successfully completes the midpoint of the academic year, or the midpoint of the remainder of the program whichever is earlier, measured in both hours and weeks, the institution may disburse the student's second Pell Grant payment.

For institutions that operate with specific academic terms, one Pell payment is scheduled for each term throughout the academic year in accordance with USDE Formula #3 regarding Pell Grant award determination. Term payments will need to be adjusted in the event the student's enrollment status changes during the academic year. For any programs that are longer than one academic year, the schedule of payments in subsequent years is the same as described above. Payments will be scheduled until a student has been funded for all hours or terms in the program in which the student is enrolled and remains eligible. Once a student has been funded for the entire program, he/she will generally not receive additional Pell assistance at that institution for continuing enrollment in the same academic program.

In some cases, a student may forfeit a Pell Grant payment. This occurs most often if the student has not maintained satisfactory progress in accordance with the school's policy, or if the student has depleted his/her Pell eligibility. Pell assistance may be paid to a student only for payment periods, which at least partially occur during the award year of that ISIR. The award year is July 1st through June 30th. If a student has already received 100% of his or her Pell grant for that year, at your institution or at another institution, he/she may not receive additional Pell funds for payment periods completed during that same award year. If the payment period overlaps into a new award year, that subsequent year's ISIR may be used for payment. Students may also forfeit Pell eligibility if they exceed their lifetime Pell eligibility limits. Legislation passed by Congress in December 2011 limits a student's lifetime Pell eligibility to 6 academic years, or 600% of their Pell Grant Scheduled Awards.

The packaging of Federal Pell Grant awards is completed through our online TEAM Software System. All users should review our online training videos prior for 24/7/365 guidance. The process begins with the creation of a student's enrollment record. Your school's academic program profiles will be examined by GEMCOR and created in accordance with federal regulations regarding academic year and payment period definitions. Creating the enrollment record is the first step in establishing the student's historical record of federal aid awards at your school.

After the creation of the enrollment record, the user is then able to create an academic year record. Within each academic year, also sometimes referred to as the school year, the user can package all Title IV awards for which the student is eligible, beginning first with the Pell Grant program. GEMCOR does not allow the institution to package awards if any required verification or C code resolution issues are pending. Please see Sections 8 and 9 for more information about those topics.

Section 4

Federal Direct Loan Program

Federal student loans have been available to students and their parents since the passing of the Higher Education Act of 1965. The loan programs have gone through several modifications and name changes over the years, but have always provided for a family to borrow funds for educational expenses. The programs have also deferred interest payments on some loans until students have completed their programs of study and have had a reasonable opportunity to find employment.

The basic student loan programs include the Stafford and PLUS programs. Stafford loans are available to student borrowers while PLUS loans are available to the eligible parents of dependent students. Stafford Loans are further split into subsidized and unsubsidized loan types. The subsidized Stafford Loans are available for low-income students, while unsubsidized loans are generally available to all applicants regardless of income level. The terms “sub” and “unsub” are commonly used to identify each loan type, with “sub” loan interest expenses being paid by the Department of Education while the student is still enrolled. The PLUS program provides loans to parents of dependent students, and is available regardless of parental income but is subject to a federal approval based on credit history. Stafford and PLUS loans were historically available through local lenders under the Federal Family Educational Loan Program (FFELP) until the Department of Education initiated the Direct Loan program.

The Federal Direct Student Loan (FDSL) Program began in the 1994-95 award year as a pilot program. It has steadily grown in popularity and participation since its inception and since July 1, 2010 is the only source for students to obtain Stafford and PLUS loans. Prior to July 2010 loans were also available through the Federal Family Education Loan (FFEL) Program. These loan processes involved banks and guarantee agencies but were eliminated with the Health Care Reconciliation Act of 2010 under the Obama administration.

FDSL awards are processed by GEMCOR in much the same way as Pell Grant awards are processed. The institution packages a student’s loan for a particular academic year using GEMCOR’s web-based, TEAM Software System. Similarly to Pell Grant requirements, the institution must generally disburse a student’s Federal Direct Loan award in two equal payments corresponding with the student’s academic progress. The first disbursement can be made at the beginning of the academic year. Then, when the student successfully completes the midpoint of the academic year, or the midpoint of the remainder of the program whichever is earlier, measured in both hours and weeks, the institution may disburse the student’s second Direct Loan payment. The above disbursement process must be used by the following types of academic programs:

- Programs measured in clock hours
- Programs measured in credit hours without defined academic terms
- Programs measured in credit hours with defined academic terms that are not “SE9W”

“SE9W” programs are those in which the academic terms are each at least 9 weeks in length and the terms are substantially equal in length (no more than a two-week difference between the shortest and longest academic term).

For programs offered with traditional academic terms that are SE9W, the student's Direct Loan award will be split evenly among the terms in the loan period. For any programs that are longer than one academic year, the schedule of payments in subsequent years is the same as described above. Payments will be scheduled until a student has been funded for all hours or terms in the program in which the student is enrolled and remains eligible. Once a student has been funded for the entire program, he/she will generally not receive additional Direct Loan assistance at that institution for continuing enrollment in the same academic program.

As mentioned previously, the Direct Loan program offers up to three loan types:

- Direct Subsidized Loans (student borrower)
- Direct Unsubsidized Loans (student borrower)
- Direct PLUS Loans (parent borrower)

There are annual loan limits, aggregate loan limits, and program-based loan limits for subsidized and unsubsidized loan awards. GEMCOR's TEAM Software System includes all of the necessary edits to ensure that students' loan awards are determined within all of these regulatory limitations. Grant money and other subsidized awards are required to be awarded to the student before other forms of financial aid. This is in the student's best interest. Accordingly, Pell Grants are packaged first, followed by subsidized loans, and then unsubsidized loans.

For institutions that only participate in the Federal Pell Grant and Federal Direct Student Loan program, the student has been fully packaged when Pell, FDSL subsidized, and FDSL unsubsidized loans have been packaged. Parents of dependent students may also borrow under the PLUS loan program. If the school participates in other Title IV programs, the user may package additional awards in the same fashion as the packaging process for Pell Grants and Direct Loans. When the user has completed all award packaging in TEAM, the user may print the student's Award Letter for its records and to provide to the student. This satisfies a federal requirement that you notify the student of his or her financial aid package for the academic year.

Transfer Students

Occasionally, you will be packaging awards for students who have attended other postsecondary institutions. These students are referred to as "transfer students". There are two relevant questions when processing awards for transfer students:

- Did the student attend another institution during the current award year?
- Are you accepting credit for training received at the other institution?

These questions are relevant because we must know about a student's financial aid history to determine if he/she is still eligible for additional funds, and we must know how much of the program he/she will be completing at your institution.

When packaging transfer students records in TEAM, you should be certain to include any hours of transfer credit in the creation of the student's enrollment record. This will ensure that the student will not be overawarded. Also, GEMCOR can assist you with any NSLDS transfer monitoring questions or concerns. See Section 10 for more information about NSLDS Transfer Monitoring.

A series of short, procedural, training videos are available about our TEAM System at <http://www.gemcorinc.com/technicalsupport.html>.

Section 5

Campus Based Programs

Title IV of the Higher Education Act (HEA) of 1965, as amended provides for additional funding sources beyond basic Federal Pell Grants and Federal Direct Stafford student loans. Three of these additional Title IV programs come under the heading “Campus Based Programs”. These programs are called “campus based” largely because the school determines, on campus, who will receive these funds, and how much each student will receive. Campus Based Programs are also contributory programs in that a portion of the award is provided by the USDE and the school provides a portion itself. For this reason, and due to the limited availability of federal funds in these programs, many schools elect not to participate in the Campus Based Programs. If interested, a school may participate in any or all of the Campus based Programs.

Schools that do participate receive an annual allocation of federal funds at the beginning of each award year. Unlike Pell and Stafford Loans, funds authorized to a school for Campus Based awards are significantly limited. Authorizations may not be increased to cover all eligible students throughout an award year. In many cases, an authorization of federal funds for the entire school, for an entire award year, is often around \$5,000. Once a school has expended its initial authorization of Campus Based funds for an award year, there are no more funds to disburse until the next award year begins and a new authorization is received. Due to authorization limitations, institutional matching contributions, and the additional functions and audits procedures required for participation in campus-based program awards, many small to mid-size career schools conclude that these programs are best left in the hands of the large colleges and universities.

For schools that do participate in Campus-based program funds, authorizations provided by the USDE in three different forms:

- **Federal Supplemental Educational Opportunity Grant (FSEOG)**
- **Federal Work Study (FWS)**
- **Federal Perkins Loan**

A limited amount of funds authorized by the USDE for these programs can be transferred between programs, carried forward for use in the subsequent award year, or carried back for use in the prior award year. GEMCOR does not recommend using these tactics as it can restrict the ability for students in the current award year from access to awards. Contact GEMCOR for further guidance if you wish to make any such fund transfers.

Section 5.1

FSEOG Program

The FSEOG program is the most popular of the Campus Based programs. These funds are designed to be a supplement to a student’s Federal Pell Grant award. Although in some cases a school is justified in awarding FSEOG funds to a non-recipient of Pell funds, regulations require that schools give priority to Pell recipients when awarding FSEOG funds. FSEOG awards per student for an academic year must be at least \$100.00 but no more than \$4,000.00. Because of the limited availability of funds, most schools keep their students’ awards limited to a couple hundred dollars each. To ensure that the limited amount of FSEOG funds are reasonably available throughout the award year, and because the institution selects its FSEOG recipients, a school must have a written FSEOG Recipient Selection Policy. See Appendix 7 for suggested FSEOG Recipient Selection policy language.

As stated earlier, all Campus based program awards are contributory in nature. For FSEOG, federal funds may only cover up to 75% of a student's total FSEOG award. The remaining 25% must be provided by a matching source. Generally this matching source is the school, but some schools may use state aid to offset some or all, of the FSEOG matching requirement (certain conditions exist). A school may perform its FSEOG matching in one of three ways.

Individual Recipient Match

This matching process is the most common, and the easiest to document and audit. Although this method is not mandatory, it is the method recommended by GEMCOR, and used in its daily processes of awarding FSEOG. Using the Individual Recipient Match method, a school initiates an FSEOG award, receives 75% of the award from the federal fund, and credits the student's account for the remaining 25% school share. For example, if you request an FSEOG award from GEMCOR for a student in the amount of \$400.00, our office would return a payment to you for the federal share (75% or \$300.00). When the check is deposited and the student's account is credited, simply credit an additional \$100.00 for your 25% school share.

Aggregate Match

Schools using the Aggregate match approach would determine its entire matching requirement for the whole year and contribute the matching share to a select few students. For example, if a school expects to award a total of \$20,000 of FSEOG funds for a year, the school's matching share would be 25% or \$5,000.00. This \$5,000.00 could be awarded to a little as two student recipients. A student receiving an aggregate match of school share funds must also be awarded some federal share funds to be considered an FSEOG recipient. Schools using this method must maintain complete documentation regarding who received the aggregate matching funds for audit purposes.

Fund Specific Match

In this method, a school establishes an "FSEOG fund" into which it deposits federal funds as well as institutional matching funds. Using the \$20,000 example above, \$15,000 of federal funds are deposited into this account and \$5,000 of school matching funds are deposited into this account. As individual awards are processed, the funds are distributed in whole out of this account, effectively resulting in somewhat of an individual recipient match. The main disadvantages of this method are:

- The school must physically deposit cash into this account. Using the Individual Recipient Match method, a school needs only to make a credit entry to the student's account.
- The entire amount disbursed from the "joint" FSEOG account must be included for purposes of return of unearned funds calculations. Matching funds made through the individual recipient or aggregate basis are excluded from return of unearned funds calculations.

When packaging FSEOG awards in TEAM, the TEAM System will ensure compliance with matching contributions under the Individual Recipient match approach. If a school wishes to apply a different matching approach, please contact us for guidance. FSEOG is disbursed in the same manner as other federal aid with one payment per payment period during the academic year. The school would "Approve" FSEOG payments the same way it would for Pell or FDSL. Since FSEOG must be awarded to students with "exceptional" need, in accordance with federal rules it is never advisable to award FSEOG to a student who is not a Pell recipient.

Section 5.2

Federal Work Study (FWS)

Another Campus Based Program available to schools is the Federal Work Study (FWS) Program. Under this program, students are selected for employment and their wages are reimbursed by the federal fund. Students may be employed at the school or at an outside business in a position related to their major course of study. Like FSEOG, FWS federal funds are limited to 75% of the total wages. The school must fund the remaining 25%. For wages paid at an outside, for-profit business the federal share may not exceed 50%. There are many other program requirements that are too extensive for inclusion in this manual. Contact GEMCOR directly for more information if you are interested in FWS.

FWS is based on student employment in a “student services” related position. A percentage of your FWS employment must also be used in community service related functions. The school may still be liable for payroll tax or other employment related obligations. FWS cannot be used as a subsidy to supplant or supplement general on-campus administrative labor. It is designed for eligible students to work in a student services related position and earn a portion of their financial aid through work-study. This again, is one of the Title IV programs that GEMCOR feels is best left to the large colleges and universities.

Because FWS is employment based, disbursements of FWS funds are not based on payment periods like other Title IV programs. FWS disbursements are based on the FWS recipient’s employee time log in the same fashion as the school’s normal payroll. Students who have been given FWS awards by the school should be treated as any normal employee. At the end of the payroll period, the school would pay 100% of the FWS wages earned to the student, and would submit a copy of the payroll register/ledger to GEMCOR. GEMCOR would then review the payroll records and request the 75% federal share reimbursement through the G5 payment system. These funds would be electronically deposited into the school’s federal funds checking account, and the school would then transfer these funds into its business/operating account as reimbursement of a portion of the FWS payroll.

Section 5.3

Federal Perkins Loan Program

The Federal Perkins Loan program is a supplemental student loan program with severely limited funding. Further, awards are contributory like all Campus Based programs and collection of the loan proceeds is a school responsibility. Participating schools are not only responsible for loan collection, but are responsible for all outstanding principle when the school wants to end its participation in the program. Typically schools participating in Perkins loans today have done so for several decades and have significant capital from collections to re-lend. Although GEMCOR will originate Perkins loans for those schools who already participate, we do not recommend that any school begin participation in the Perkins loan program. This program is also better left in the hands of the large universities and long-time Perkins Loan Program participants.

Section 6

First Payments

The packaging process discussed previously in this guide is only an estimate of the student's eligibility and includes a schedule of anticipated disbursements. These disbursements remain with a "Pending" status until the school wishes to disburse the payments. When a student is eligible to receive a disbursement, and you wish to make that disbursement, you could complete this process by approving the disbursement from within the individual student's record in TEAM, or by using the Request/Approve Awards functionality in TEAM.

When the student has begun the payment period, the user (with such authority to do so in his/her user profile) can select the "Approved" checkbox associated with that payment period's federal award amount. This indicates to GEMCOR that the institution wishes to disburse that award to the student for the payment period. The user can approve a payment for a single award type (Pell, FDLs-Sub, etc.) or the user can elect to approve all Title IV awards scheduled for that payment period collectively. A "Confirmation of Eligibility" window (described more fully in Section 6) will be displayed with a series of questions that require a review and response from the user. This process is to ensure that the institution has reviewed the student's file and that the institution has confirmed that the student remains eligible for the award being processed.

After the user confirms the eligibility of the student, the payment(s) will be marked as "Approved". The user will have to complete the Confirmation of Eligibility screen for each student for whom a payment is being approved. It is of utmost importance that users avoid the use assumptions or recollections about the student's eligibility. The user must ensure that the student's file has been reviewed and that the answers to the Confirmation of Eligibility of screen contain accurate and current responses. Failure to do so can result in liability for aid being awarded to ineligible students.

On a daily basis, GEMCOR extracts all approved payment records from the TEAM Software System for handling through its in-house processes and edits and the status of the payment record in TEAM is changed from "Pending" to "In Process". GEMCOR does not simply forward your award requests to the USDE. Each student's award is examined by a GEMCOR agent to ensure award accuracy. Upon approval of the type and amount of the award, GEMCOR will then submit the institution's approved disbursements to COD for USDE approval and funding. Within days, the institution will receive an award journal listing the USDE approved payment and will then disburse those funds to the student by crediting the student's tuition account. At this time, the payment status in TEAM is changed from "In Process" to "Paid". Federal funds covering the institution's disbursement will be electronically sent to the school's bank account directly from the U.S. Treasury.

A series of short, procedural, training videos are available about our TEAM System at <http://www.gemcorinc.com/technicalsupport.html>.

Section 7

Subsequent Payments

As mentioned previously in this guide, GEMCOR's TEAM system will automatically schedule awards for future payment period(s) when the award is originally packaged for the academic/school year. The schedule shall coincide with the remaining payment periods in the institution's academic year. When students begin a subsequent payment period, the user will open the student's record in TEAM and, if having the appropriate authority in his/her user profile, will click on the "Approve" checkbox. This indicates to GEMCOR that the institution wishes to disburse that payment to the student. The user can also view and approve subsequent payments through the Request/Approve Awards functionality in TEAM.

Upon selecting the "Approve" checkbox, a "Confirmation of Eligibility" window will be displayed with a series of questions that require a review and response from the user. This process is to ensure that the institution has reviewed the student's file and that the institution has confirmed that the student remains eligible for the award being processed.

Generally speaking, and among other requirements, a student is eligible to receive a payment for a payment period if:

- For a term-based program, the student is enrolled in classes for the payment period.
- For a clock hour or non-term program, the student is enrolled in his/her program of study.
- For subsequent payments in clock hour and credit hour non-term programs, the student has successfully completed the hours and weeks of instruction in the previous payment period.
- The student is making satisfactory progress, or is otherwise eligible for this disbursement, under the terms of the institution's SAP Policy.
- There are no known changes to the student's eligibility that have not been resolved.
- For Direct Loan disbursements, the student is enrolled on at least a half-time basis.
- For Direct Loan disbursements, the student is not on a Leave of Absence.

After the user confirms the eligibility of the student, the payment(s) will be marked as "Approved". The user will have to complete the Confirmation of Eligibility screen for each student for whom a payment is being approved. It is of utmost importance that users avoid the use assumptions or recollections about the student's eligibility. The user must ensure that the student's file has been reviewed and that the answers to the Confirmation of Eligibility of screen contain accurate and current responses. Failure to do so can result in liability for aid being awarded to ineligible students.

On a daily basis, GEMCOR extracts all approved payment records from the TEAM Software System for handling through its in-house processes and edits. At this time the status of the payment record in TEAM is changed from "Pending" to "In Process". GEMCOR will then submit the institution's approved disbursements to COD for USDE approval and funding. Within days, the institution will receive an award journal listing the USDE approved payment and will then disburse those funds to the student by crediting the student's tuition account. At this time, the payment status in TEAM is changed from "In Process" to "Paid". Federal funds covering the institution's disbursement will be electronically sent to the school's bank account directly from the U.S. Treasury.

A series of short, procedural, training videos are available about our TEAM System at <http://www.gemcorinc.com/technicalsupport.html>.

Section 8

Verification

The official federal document necessary to award federal student financial assistance is the electronic Institutional Student Information Record (ISIR). All ISIRs must be reviewed by the student for accuracy, and any necessary corrections should be made prior to awarding Title IV aid to any recipient. You should pay special attention to the EFC area on the ISIR. An asterisk "*" at the end of the EFC number is an indication that the ISIR has been selected by the Department of Education for a process called "verification". The EFC along with any verification flags, aka asterisks "*", is also openly visible in the student's record in TEAM. TEAM also has a dedicated "Verification" module that will isolate only ISIRs that have been selected for verification. Files selected for verification as indicated by the asterisk at the end of the EFC number must go through completion of the verification process before awarding aid to the student.

Schools are required to have written verification policies and procedures. Included in appendix F to this manual is a suggested verification policy, verification procedures used by GEMCOR, and verification forms that are required in conjunction with completing the verification process on each ISIR selected for verification. Feel free to implement these policies and procedures into your on-campus administrative operations.

Verification is simply a process that confirms the accuracy of the information that the student included in his/her FAFSA application and ISIR. The Department of Education will also place the selected ISIR file in one of several verification tracking groups. Different verification tracking groups will have different verification procedures, which emphasizes even more the need for written procedures. The verification tracking groups are referred to as "V1", "V2", "V3", "V4", etc. There are currently verification tracking group up to V6 but the Department of Education has added and removed groups over the years to both strengthen and simplify the verification process.

GEMCOR's TEAM Software System has the highest degree of controls to ensure that your Title IV awards are handled in an efficient and compliant manner. Verification is no different. Although federal regulations allow institutions to initially process federal aid for a student without completing the verification process, GEMCOR's system of internal controls prohibits this process. Oftentimes, once a student's award has been processed, there is a loss of incentive for the student to bring the necessary verification documents to you at a later date. Regardless of the permissions in the regulations allowing the processing of files selected for verification, the school is ultimately still responsible for any Title IV aid disbursed improperly.

To avoid these potential liabilities, GEMCOR's TEAM System prohibits you from packaging a student for financial aid if any required verification is incomplete. Either GEMCOR or the school can approve verification for files selected. A TEAM User's permissions are authorized by a school official when access to student records is being granted, and may include the authority for the user to approve verification files. GEMCOR reserves the right to deny verification approval authority to users who have not demonstrated the experience and administrative capability necessary for this authority. In any case, if the institution does not wish to perform a verification review on selected files, GEMCOR will perform verification reviews on the school's behalf and its resulting approval or rejection will be recorded in the student's record in the TEAM System and the school will be notified by email as well.

Section 9

“C” Code Resolution

When students’ FAFSA information is being processed by the USDE for purposes of generating an ISIR record, a student’s information is going through several data matches with a variety of other governmental agencies. These agencies include:

- ***Department of Homeland Security (DHS)***
- ***Social Security Administration (SSA)***
- ***National Student Loan Database System (NSLDS)***
- ***Selective Service Administration***
- ***Veterans Administration***
- ***Department of Justice (Drug Conviction National Database)***

The purpose of these data matches is to ensure that the student is eligible to receive Title IV federal student aid funds. All of the conditions of student eligibility are far too detailed to discuss in this publication alone, however, the data match process will identify students who may not be eligible for federal student aid. If the data matching process results in a concern, the ISIR will be flagged by the USDE with the letter “C”. The “C” will appear at the end of the EFC number (much like the “*” for verification selection). This is commonly referred to as a “C” code.

“C” codes can identify that the student is in default on a prior federal student loan. This fact would prohibit the student from receiving federal aid again until the defaulted loan is resolved. The “C” code could also be a warning that the student may be approaching his/her lifetime eligibility limits for federal student aid. This would not prohibit a student from receiving additional aid at this time. So, as you can see, a “C” code on an ISIR does not always mean that the file may contain an error or that the student is ineligible for further aid. Some “C” codes require no corrective action if they are of a warning nature while other “C” codes require extensive research and correction.

What is important for all ISIRs that contain such a “C” code is that the “C” code is reviewed and resolved, if necessary. In a similar fashion as with the verification process, either GEMCOR or the school can review and resolve “C” code issues. If a TEAM User has been granted the authority to approve “C” code resolutions, the user can update the student’s “C” code status in TEAM to “approved”. If the school does not wish to approve any “C” code resolutions, GEMCOR will review the ISIR record and will work with the school’s personnel to resolve the “C” code. Also in a similar fashion as with verification processes, you may not package a student’s file for federal awards in the TEAM System if the “C” code resolution has not been completed.

Unlike the verification process, there are no special tracking groups or specific procedures to follow for “C” code resolutions. The comment page of the ISIR (page 1) will include all of the text necessary for you to determine why the “C” code is on the file and how to resolve it. In all cases where questions remain, simply contact GEMCOR and our agents are available to help walk you through any “C” code situation.

Section 9.1

Conflicting Information

Regardless of whether a student's file is selected for verification or has been flagged with a C code, if the institution or GEMCOR determines that the file contains conflicting information, resolution of that conflict will be required prior to approving the award. Resolution will include communication between the school and the student and corrections to any conflicting data contained in the student file.

Conflicting information includes any information or documentation that the institution has that differs or conflicts with other information known to the institution regarding the student's file. Although not all-inclusive, the following charts describe common instances of conflicting and non-conflicting information:

Examples of conflicting information

Conflicting information may include information related to a student's eligibility such as;

- citizenship status,
- accuracy of the student's SSN,
- default or overpayment status,
- changes in student's academic status (including grade level progression),
- COA elements,
- other student financial assistance or resources, and
- inconsistent information used in calculating the student's EFC.

Conflicting information does not include such things as

- a household size that differs from the number of exemptions on a tax return;
- dependency under IRS rules vs. ED definition of dependency;
- a roster of candidates for an outside scholarship, as opposed to a list of recipients;
- privacy-protected information, such as information from counselors, chaplains, doctors, etc.;
- assumptions made by the Central Processing System; and
- an expired immigration document but whose secondary confirmation match is successful.

Common sense when reviewing student files is a rule of thumb. As student files are being reviewed by both the institution and by GEMCOR, areas of conflicting information are required to be resolved prior to the awarding of any federal student aid. Further, if the institution or GEMCOR suspects that the student may have intentionally provided false or misleading information, this act of potential fraud must be reported to the USDE for further investigation.

Financial aid administrators must act as fiduciary agents to ensure the proper delivery of federal student aid funds only to eligible students. Administrators have the authority to request any reasonable documentation from student applicants to ensure the accuracy and completeness of the student financial aid file.

Section 10

NSLDS Processes

The consulting and data processing services that GEMCOR provides cover many areas of federal aid administration but the institution still remains responsible for many other areas involved in federal aid administration.

NSLDS Transfer Monitoring

The National Student Loan Data System (NSLDS) stores historical data relative to a student's financial aid payments at prior schools. This information is automatically included on the last page(s) of a student's ISIR, and in most cases, is all that you will need to be able to properly award federal aid to the student. However, students who transfer to your school during the current award year may not have their current year's award information updated through the NSLDS system. Accordingly, you must send NSLDS identifying information for students transferring to your school during the award year so that NSLDS can notify you of changes to their financial aid history. Through transfer student monitoring, NSLDS will alert you to any relevant changes in the transfer student's financial aid history—other than the default and overpayment information reported in the post screening process—that may affect the student's current awards. This process is completed through your NSLDS User Login access to the NSLDS Professionals Access site.

NSLDS Enrollment Reporting

Periodically you must update student enrollment information in the federal NSLDS database. NSLDS Enrollment Reporting is typically done online using your NSLDS User Login. The purpose of this process is to update the Department's system regarding the student's enrollment status at your school which may initiate the repayment process on a student's loans. Generally your enrollment roster is issued by the USDE every 60 days. At such time, you will need to correct any inaccurate enrollment statuses or dates in the online system. This process will repeat about every two months. It is crucial that you not delay in updating your students' records. There is only a small, 15-day window of opportunity to complete this process on time. Our support staff is available to you at any time to assist you in training and Q&A related to enrollment reporting.

NSLDS Cohort Default Rates

Continuing your school's eligibility in federal student aid programs is contingent upon your annual cohort default rate. A cohort default rate is a measurement of prior student loan borrowers who attended your school who defaulted on the repayment of their student loan obligation during the period of time examined. This period of time includes the fiscal year during which the borrower's loan entered repayment and the subsequent two fiscal years afterward. The USDE releases draft cohort default rates each spring and final/official rates in September of each year. Schools whose cohort default rates exceed 30% for three consecutive years will lose the ability to participate in federal aid programs. It is strongly recommended that you consider employing the services of a default prevention and management company. These agencies, like GEMCOR, are third party servicers assisting schools with federal aid administration obligations. GEMCOR can provide you with a list of companies that provide default management services.

NSLDS Gainful Employment Performance

As with the cohort default rate sanctions, you will also face a loss of institutional eligibility for federal aid programs if the academic programs you offer fail the USDE's gainful employment performance measurements. These performance measurements have been created to analyze whether or not your prior graduates are earning an average annual income that is sufficient enough to pay back the median amount of debt your graduates incur for completing your program.

A great deal of data and information is required to perform this analysis. Each year, typically during September, you will be required to complete your gainful employment reporting obligation. This obligation includes the filing with the USDE of a spreadsheet of information about your Title IV recipients during that most recently completed award year. The report will include updated enrollment statuses for your students, as well as the amounts of any private education loans or institutional financing the student received. GEMCOR will initiate this report with you each year. Shortly after the end of the award year (June 30th) GEMCOR will create a spreadsheet of your Title IV recipients from the prior award year. This will be sent to you with instructions on how to add the additional data required and how to upload the file to the NSLDS system.

This data will be used by the USDE and in cooperation with the Social Security Administration over the next several years to determine the median loan debt for these students attending your school and the annual income that these students reported after completion of their program at your school. Those values will be used as a model to determine if your graduates' average annual income is adequate enough to be able to repay the median student loan amount for this group.

This requirement has been around in some way, shape, or form for a number of years but also continues to come under fire from industry specialists, career educators, and a number of members of Congress. GEMCOR will always keep its client institutions informed of changes in the laws governing federal aid programs through meetings, newsletters, general announcements, and annual seminars.

Federal Regulations prohibit institutions from maintaining excess federal cash on hand. Our systems and policies have been calibrated to prevent this situation. GEMCOR uses a “records first” approach to federal funds management meaning that records supporting the institution’s disbursement of Title IV funds are submitted to COD for approval before any federal cash is requested for those awards. GEMCOR’s cash management policies are also substantially similar to the USDE’s required processes under the heightened cash monitoring method of payment (HCM1). Federal cash is not drawn down in advance for future, anticipated disbursements nor is federal cash maintained in the institution’s bank account without an immediate need for the disbursement of those funds to eligible students. This policy provides strict controls over instances of excess cash or instances of federal funds being used for other than their intended purpose.

On a daily basis, cash is requested through the G5 web site system by GEMCOR for your school only in an amount necessary to cover student awards that have been accepted by COD as of that day and that are included on the Daily Award Journal. In most cases, the funds are wired into the institution’s federal funds escrow account on the following business day. Federal funds are never received or handled by GEMCOR in any way. GEMCOR simply initiates the transfer of funds from the USDE directly into the institution’s federal funds bank account based on disbursements that the institution is making to eligible students on a given day. Upon receipt of those funds into your federal funds bank account, you would simply logon to your online banking system and transfer the amount shown on our Daily Award Journal from your federal funds bank account into your general operating account. Our systems are designed such that a condition of excess cash maintenance should never occur at your institution. In any event, occasionally auditors may still attempt to site you for excess cash maintenance due to an incorrect interpretation of cash management regulations. If this is the case, contact our Accounting Department and we will provide suggested responses on your behalf. To further ensure cash accountability and strict compliance with fiscal responsibility obligations, the following daily, weekly, monthly, and annual reconciliations are performed:

Daily Functions

Federal awards are processed by GEMCOR on a daily basis. Upon receipt of disbursement or refund information from the school, federal award origination and disbursement records are submitted electronically to the Common Origination & Disbursement (COD) System. Origination and disbursement acknowledgements are received and processed through GEMCOR’s internal system and are reconciled against the institution’s federal cash general ledger. After the COD approved daily awards have been recorded, GEMCOR will request the necessary funds for these awards using the cash management policy identified below. As part of the daily cash request processes, your federal authorizations in the G5 system are routinely compared to your actual awards accepted by COD in that day’s batch to ensure that student awards for that day have been fully authorized by the USDE, and that the disbursement of the award by the institution has been accepted by COD before cash request for federal funds is initiated. Any student awards that have not been accepted by COD in that day’s batch are reviewed by GEMCOR staff and corrective action is taken to resolve the status of the award. Federal cash is not requested for any student awards that have not been accepted by COD. A Daily Award Journal is prepared for each institution listing the students and amounts of COD accepted disbursement records. These Daily Award Journals are emailed to the institution during the morning hours for reconciliation with students’ tuition ledgers.

Weekly Functions

During each calendar week an analysis is performed multiple times on all accounts to determine the possible existence of federal cash on hand. Cash on hand will only result from money deposited by institutions for refunds which has not been used to fund other current disbursements. In cases where refunds reported to GEMCOR result in unused cash on hand, the cash will be returned to the department electronically through the Grants Administration and Payment (GAPS/G5) System to ensure that unallocated federal cash is not maintained for more than three business days.

Monthly Functions

Each month GEMCOR will reconcile your federal funds bank account with your general ledger to ensure accurate cash accountability. In the event bank service charges are assessed to your federal funds account, you will be responsible to pay for those fees. We recommend that you maintain a sufficient amount of institutional funds in your federal account as a source for payment of these service fees, or instruct your bank to assess service fees to another account you maintain at that bank.

FDSL account statements are also received by GEMCOR from the department each month reflecting loan cash and disbursement activity for your school. These reports are reconciled against our internal records to ensure loan activity is properly reconciled and that all transactions in our system balance with those at the federal level.

Bi-Monthly Functions

Every 60 days the USDE will generate a roster of student enrollment information from records maintained in the National Student Loan Data System (NSLDS). The purpose of this roster is for the institution to review and update changes in students' enrollment statuses and graduation or withdrawal dates. This updated information is used by the USDE to track the commencement of the repayment cycle for your student loan borrowers. GEMCOR will send regular reminders to institutions when the enrollment roster is available for update. The deadline for you to update information on this bi-monthly roster is only 15 days. Schools may have the ability to update enrollment information in batch form if its student records management software system has such capability. If not, then GEMCOR will assist you with training regarding updating the roster data through the NSLDS Professional Access web site.

Annual Functions

On an annual basis, all Title IV program activity for all federal awards in GEMCOR's systems is reconciled with the department's COD and GAPS systems. Audit Packages for each institution are completed by our staff identifying all federal aid activity and cash accountability for your school for both the most recently completed institutional fiscal year, as well as for the most recently completed federal award year. Each year when you schedule your annual audit, notify GEMCOR for preparation of your audit packages. GEMCOR also has an annual compliance audit performed on its administration of federal aid program funds for your institution.

GEMCOR will also annually prepare and file your Fiscal Operations Report and Application for Funds (FISAP). This annual report, due at the end of each September, is required to be filed for institutions that participate in any of the federal campus-based programs (FSEOG, FWS, and Perkins Loan). Completion of the report requires data from the institution and GEMCOR. GEMCOR requests the necessary information each year in August and, with the receipt of information required from the institution, is responsible for the timely filing of the FISAP report.

Section 11.1

G5 Federal Fund Drawdowns

Federal funds necessary to cover awards accepted by COD each day are electronically deposited into your federal funds bank account. This process is initiated by us when we place a request for funds through the USDE's G5 web site also known as the Grants Administration and Payment System (GAPS). Each day we review your account to determine if additional funds need to be deposited into your account to cover that day's award journal. Below is our cash management policy which is used each day to effectively manage our client's federal bank accounts.

FEDERAL CASH MANAGEMENT POLICY

1. *Each day, after GEMCOR's receipt of Title IV awards accepted by COD, the balance of federal cash in the school's account is reviewed to determine if sufficient funds are on hand to cover awards processed.*

The balance reviewed would be the balance of Title IV program funds on hand as of that day, and would include any Title IV refunds or award adjustments recorded as of that day.

2. *In the event the balance of Title IV program funds on hand is sufficient to cover the awards being disbursed by the institution for that day, no additional funds will be requested from the Department of Education.*

In the event the balance of Title IV program funds on hand is not sufficient to cover the awards being disbursed by the institution for that day, a request for additional funds from the Department of Education will be made through the G5 Grants Administration and Payment System. The amount of funds requested will be computed from the following formula:

$$\frac{\text{Total amount of Title IV awards being disbursed by the institution for that day}}{\text{<The total amount of Title IV program funds on hand including refunds \& adjustments>}} = \text{The Amount of the day's Federal Funds Cash Request}$$

We believe the above policy will strictly control occurrences of excessive cash maintenance, and will provide for better program integrity and accountability.

Separation of Functions

Compliance with federal regulations and statutes requires that schools have adequate controls in place to ensure a separation of duties such that no single or office can perform the functions of authorizing federal aid as well disbursing federal aid. For small colleges this separation can be difficult however, GEMCOR provides an added level of security regarding this separation requirement.

GEMCOR provides the function of authorizing your students' awards. Each award is packaged through GEMCOR's TEAM system, and reviewed by GEMCOR staff, to ensure award accuracy. Subsequently, GEMCOR submits the origination records to the USDE for its approval. Upon receipt of federal funds from the USDE, the institution disburses the awards by crediting students' accounts with the amount of the disbursement. The institution does not authorize awards with the USDE and GEMCOR has no access to any of the federal funds. This separation ensures that no one office can both authorize and disburse federal financial aid dollars.

Section 11.2

Disbursing Federal Funds

Federal regulations specify that there are two ways to disburse Title IV federal funds:

- By crediting the student's account for allowable charges at your school, or
- By paying the student, or parent directly.

The institution possesses the sole responsibility for disbursing federal funds to eligible students. GEMCOR does not receive federal funds on behalf of the institution and does not possess any access to the institution's federal funds bank account. GEMCOR does not credit students' accounts with Title IV funds, nor does it issue any direct payments of Title IV funds to students or parents at any time. Accordingly, GEMCOR does not disburse Title IV, HEA federal financial assistance funds. GEMCOR does, however, report and reconcile Title IV disbursements made by the institution with the USDE's designated systems.

Credit to the student's account

When an institution disburses federal student aid (FSA) funds to a student by crediting the student's account, it may do so only for allowable charges "associated with the payment period" for which the Title IV funds were intended. The policy used by the institution for assessing program charges to its students will determine the amount of the charges "associated with the payment period" as described below. For institutions that do not contract with students to provide student housing and meal plans, allowable charges for a payment period include:

If the institution assesses institutional charges separately by payment period:

1. Current payment period charges assessed to the student for tuition and fees;
2. Current payment period charges assessed to the student for books and supplies, if the institution obtains the student's or parent's (as applicable) written authorization;
3. Unpaid prior-year charges not to exceed \$200.

If the institution assesses institutional charges for a period longer than one payment period:

1. The amount of tuition and fees for the educational program proportionally prorated to the length of the payment period;
2. The amount of books and supplies for the educational program proportionally prorated to the length of the payment period, if the institution obtains the student's or parent's (as applicable) written authorization;
3. Unpaid prior-year charges not to exceed \$200.

The \$200 limit applies to the full academic year, not each payment period.

When the institution disburses federal funds by crediting the student's account as described above, it must immediately determine if the total amount of federal, Title IV funds disbursed for the payment period has exceeded the allowable institutional charges for that payment period. If FSA funds exceed the amount of the payment period's charges, the result is a FSA credit balance.

Credit balances must be issued to the student within 14 days of the date that the credit balance was created. With the student's written authorization, except for schools under an existing limitation, the institution may retain the student's credit balance until the end of the academic year and may apply it to future allowable charges the student expects to incur. Contact GEMCOR for more guidance regarding credit balance obligations.

Generally, institutions that use GEMCOR as its third party servicer disburse federal funds by posting credits to the student's account based on the approved amounts on the Daily Award Journal. If you wish to make direct payments to students, see the following guidance:

Direct Disbursement to the Student Parent

There are three ways that a school may disburse FSA funds directly to the student or parent.

- I. Initiating an EFT of that amount to the student's financial account, including transferring funds to stored-value cards and debit cards.
- II. Issuing a check or other instrument payable to and requiring the endorsement or certification of the student;
- III. Dispensing cash for which the school obtains a receipt signed by the student.

Contact GEMCOR for additional guidance if you wish to disburse Title IV funds by direct payments to students.

Confirming Eligibility at the Time of Disbursement

According to federal regulations, before disbursing FSA funds, you must determine and document that a student remains eligible to receive them. A school, and its third-party servicer, must have a process (consistent with the regulations) for determining that a student is eligible to receive a Title IV disbursement. The institution's obligations regarding the confirmation of eligibility include a review of the student file to confirm that:

- a. The student is enrolled in classes for the period;
- b. For a student otherwise eligible for a Pell grant, the scheduled disbursement will not cause the student to exceed his or her Lifetime Eligibility;
- c. A student enrolled in a non-term program or nonstandard term program with terms that are not substantially equal in length has completed the previous period (credits and weeks of instruction or clock-hours and weeks of instruction);
- d. Except for Direct Loans, if the disbursement occurs on or after the first day of classes, that the student has begun attendance in the classes on which his or her eligibility was based;
- e. For Direct Loans, the student is enrolled at least half time and has a valid, linked MPN;
- f. First-time FSA borrowers have completed entrance counseling, received the required disclosures, and completed the first 30 days of their academic program;

GEMCOR, as a third party servicer that performs “activities or transactions that lead to or support a disbursement of Title IV funds”, is also required by regulations to confirm students’ eligibility. Accordingly, when the institution identifies to GEMCOR in the TEAM Software System that it wishes to make a disbursement to a student for a payment period, a confirmation of eligibility window will be displayed. This window will appear at the point that the institution elects to approve the award disbursement. The institution will not be able to continue with the approval of the student’s disbursement until it responds to the confirmation of eligibility screen. Only an authorized TEAM User with the appropriate rights to approve award disbursements will be able to complete this function and the user’s information along with the date and time of the confirmation of eligibility will be recorded in the student’s file.

The USDE however, requires additional oversight by third party servicers regarding the confirmation of eligibility requirement. Electronic confirmation alone is not sufficient to comply with the confirmation of eligibility requirement. In addition to an individual electronic confirmation of eligibility for all disbursements that the institution seeks to make, GEMCOR must also perform “periodic, sampled file reviews” to further ensure eligibility confirmation and administrative compliance with federal statutes and regulations. In summary, the process will involve periodic additional internal audits of the institution’s administrative capabilities.

Procedures in place at GEMCOR provide for the following examinations regarding confirmation of student eligibility:

- 1) Client institutions will be required to positively confirm the eligibility of the student for each disbursement of Title IV funds that the institution wishes to make.
- 2) Periodically throughout the award year, GEMCOR will select a sample of student awards that have been disbursed by the institution for GEMCOR’s examination of those student files.
- 3) The client will be provided with a list of the selected student files along with a request for various documents from the institution.
- 4) Documentation includes, but is not limited to;
 - a. Enrollment Agreements
 - b. Tuition Ledgers
 - c. Attendance Information
 - d. Satisfactory Progress Documentation
 - e. Leave of absence documentation
 - f. Withdrawal determinations (if applicable)

GEMCOR will perform an examination and analysis of the records submitted by the institution for the purposes of determining if the institution has properly confirmed students’ eligibility for Title IV awards. Instances of non-compliance identified by GEMCOR will be reported to the institution for corrective action. If GEMCOR determines that instances of non-compliance are recurring at the institution, it may result in the suspension of permissions for affected TEAM Users and the expansion of the student file review process. Client institutions will be invoiced separately for these examinations based on time and materials consumed.

Section 11.3

Federal Reporting

All Federal Pell Grant, Federal Direct Loan, and Campus-Based program reports are regularly filed by GEMCOR. These reports include, but are not limited to, your annual FISAP Reports and daily Common Origination and Disbursement (COD) reporting of federal award originations and disbursements.

As described earlier, Pell and Direct Loan award and disbursement information are reported on a daily basis as you provide disbursement information to GEMCOR. This practice of daily origination and disbursement record submissions ensures continual flow of authorization adjustments. Electronic acknowledgements of this information are received by our office from the Department of Education on a daily basis. These results of the daily acknowledgment responses are compared to data submitted for every student to ensure accurate and timely Pell and Direct Loan payment data reporting. Your authorization levels are monitored on a daily basis to ensure up to date information. Receiving accepted confirmations from the Department for every student's award prior to initiating a request for federal funds to be sent to the institution provides the highest level of compliance and accuracy for your federal aid programs.

Section 11.4

Audits

To ensure operational integrity, to minimize your costs of having your federal aid programs audited, and to comply with federal regulations, GEMCOR has a formal audit performed on its internal control procedures on an annual basis. This audit will be provided to you free of charge upon request. Your CPA, when auditing your federal aid program activity, can rely on our audit of internal controls. This prevents him/her from having to perform additional tests and examinations of GEMCOR's policies and procedures and should keep your audit costs low. We encourage you to use CPAs experienced in federal aid audits, and we can provide qualified referrals upon request.

For each fiscal year, you are required to have a compliance and financial audit performed at your institution. An independent certified public accounting (CPA) firm must perform these audits. The audits are due at the USDE within six months of the end of your corporate fiscal year. These audits are very unique and require the experience of professionals who have a history of performing Title IV compliance and financial audits. Once again, we are happy to provide referrals to you.

Finally, please understand that an audit is a time consuming process. Our office needs time to professionally prepare your school's "audit package" so that it is at your campus when the auditors are there performing their examination. Please give us ample notice to perform our obligations. It is not possible to request an audit package from us on Thursday for your on-campus audit next Monday. We appreciate your cooperation.

Section 12

Return of Unearned Title IV Funds

In the event a student withdraws or is terminated from the program, a tuition refund calculation in accordance with your institutional refund policy must be performed and any resulting refunds must be repaid by the school. For Title IV recipients, a Return of Unearned Title IV Funds calculation must be performed **before** an institutional refund calculation. Any unearned Title IV funds must be returned to your federal aid account within the regulatory 45-day deadline. When returning unearned Title IV funds, or making tuition refunds, the money must be returned in the following mandated order:

- **To unsubsidized, then subsidized FDSL Programs.**
- **To the Federal Pell Grant Program**
- **To the Federal SEOG Program**
- **To any other Title IV Program**

When making Pell, FDSL, or Campus Based refunds, notify our office immediately. GEMCOR's TEAM Software System provides users with the ease of electronic notification of your refund amounts. As with all award approvals, GEMCOR extracts all refund records entered in TEAM on a daily basis. We will record the refund in our records, account for the additional cash in your federal aid account, and reduce the student's expected disbursement in the USDE's designated computer systems. GEMCOR will also perform all necessary functions to adjust future unpaid disbursements and loan period lengths to ensure compliance with federal regulations regarding subsidized loan limitation rules.

Institutions must have policies in place regarding the Return of Unearned Funds process. This process is also commonly referred to as Return to Title IV, or R2T4. Included in Appendix G to this manual is a suggested policy and a *Return of Unearned Title IV Funds Calculation Form*. GEMCOR has also designed a very user friendly Excel spreadsheet program for clients to use to perform accurate and easy R2T4 calculations. Please incorporate the policy and related tools into your on-campus procedures. GEMCOR recommends that institutions have procedures in place to review student records for the purposes of identifying withdrawn students at least twice per month. Performing this analysis twice monthly will ensure that you remain in compliance with federal regulations and deadlines regarding the treatment of students when they withdraw from the institution.

Improper or untimely refund determinations is one of the most often cited audit and program review findings. To ensure your compliance GEMCOR can provide complete R2T4 training and review of your R2T4 calculations. Proper use of GEMCOR's spreadsheet program for R2T4 calculations will keep you compliant with this important area of federal aid administration.

As with any issue regarding the administration of your federal aid programs, contact one of GEMCOR's agents with any questions. A foolish question is the one that never gets asked. Our agents are available to you and your staff for assistance.

GEMCOR provides toll free technical support on any educational or financial aid issue during normal business hours (Monday-Friday 9:00am to 5:00pm Central Time). Simply call our office. In addition to general daily inquiries, we can provide assistance to you with program review responses, accreditation concerns, and eligibility and certification issues.

GEMCOR also conducts periodic financial aid training workshops. These workshops give us an opportunity to share ideas with peers, learn about new federal laws, and provide continuing education training to your financial aid staff and owners. The workshops are generally during the summer months in GEMCOR's offices. We will provide you with seminar information as schedules are determined.

Another area of support provided by GEMCOR is in the field of staff training. Financial aid training for your staff can be scheduled at any time during the year. Training at our office is provided free of charge to client institutions. We recommend that no more than 4-6 hours of training be scheduled in one day. We have found, especially with inexperienced attendees, that the amount and complexity of information is overwhelming to many if training is too long. Special training can be set up at any time mutually convenient. On-campus training can also be arranged for larger groups. There is a charge for on-campus training. The fee would include expenses incurred, in addition to a daily charge. These fees would be estimated and agreed upon by both parties prior to the visit. To arrange for individualized training, simply contact our office.

In addition to general technical support, consulting, training and daily Q&A, GEMCOR also provides your school with a variety of policies and procedures that are required for compliant administration of federal aid programs. The appendices to this manual provide specific policies that you need to have as part of your on-campus policies and procedures regarding participating in federal aid programs. The following segments also provide additional policy and procedure guidelines regarding the main areas of your participation in Title IV federal aid programs. These policies and procedures are required to be followed for all GEMCOR client institutions.

Protection of Data Submitted to GEMCOR

In accordance with federal regulations and statutes any documents submitted to GEMCOR that contain personally identifiable information (PII) must be protected. This includes any verification documents, C code resolution material, ISIR information, and any other document that contains student names, SSNs, dates of birth, or other information that can be used to distinguish a person's identity. PII cannot be submitted within the text of an email transmission, within an email attachment that has not been properly password protected and encrypted, or by way of fax transmission.

To ensure your compliance with these requirements, GEMCOR uses Citrix ShareFile® document sharing services. Clients will each have unique access to their dedicated folder in the ShareFile® network. GEMCOR will create user accounts for each client in ShareFile® for the purposes of secure document transmissions to GEMCOR. Citrix ShareFile® is easy to use. Simply copy your document/file into your ShareFile® folder. GEMCOR will receive email notification that a file was deposited in your ShareFile® folder. Upon download of your file by GEMCOR, you will receive an email notification that we received your file. ShareFile® can be used for any documents whether or not PII is involved. The ShareFile® service ensures that your students' information is protected from unauthorized access as well as minimizing any likelihood of the inadvertent transmission of computer viruses. All clients must use the ShareFile® process to submit documents containing PII to GEMCOR.

School Eligibility

The institution is responsible for ensuring that state licensure, accreditation, and federal aid eligibility are constantly updated and maintained. GEMCOR will also obtain documentation supporting the eligibility of the institution prior to creating the campus in its systems for federal aid eligibility. Periodically, the institution must review its licensure, accreditation, and Eligibility and Certification Approval Report (ECAR) to identify when filing of renewal or recertification applications are required. In the event any of the following changes occur regarding institutional eligibility, a prompt and timely application will be submitted to the USDE to report such change:

- a change in accrediting agency (notify the Department when you begin making any change that deals with your school's institution-wide accreditation);
- a change in state authorizing agency;
- a change in institutional structure;
- an increase in the level of educational programs beyond the scope of current approval;
- a change in ownership or the type of ownership;
- the addition, or closure, of an additional accredited and licensed location;
- a change in the name or address of the institution or any additional locations;
- a change to the name of the school's President, Chief Financial Officer or Financial Aid Director;
- the addition or removal of the institution's use of a third party servicer;
- changes to any other institutional information currently listed in the ECAR;

Program Eligibility

The institution is responsible for ensuring that the academic programs it offers are licensed (if required), accredited, and eligible for federal aid funds. GEMCOR will also obtain documentation supporting the eligibility of the academic program prior to creating the program record in its systems to allow federal aid packaging. GEMCOR does not allow client institutions to create new academic program records in its TEAM System. This prohibition ensures that only eligible programs are available under which the institution may package federal awards. Beyond program eligibility concerns, the proper setup of an academic program is critical to the accuracy of federal award determinations. Accordingly, GEMCOR will determine the academic year definitions and payment period structures of the academic program to ensure that the type and amount of federal aid awards are accurate. The institution is responsible for notifying GEMCOR when there has been any change to the institutional costs of a program. Incorrect institutional costs in the school's program record in GEMCOR's system can cause incorrect cost of attendance determinations on students' federal awards.

In the event any of the following changes occur regarding the institution's academic programs, a prompt and timely application will be submitted to the USDE to report such change:

- the addition of accredited and licensed non-degree programs;
- the addition of a short-term program (300-599 clock hours);
- the addition of accredited and licensed degree granting programs;
- a change to the length or CIP code of an existing program;

Student Eligibility

Generally speaking, to be eligible for federal student aid a student must be a U.S. citizen or eligible non-citizen, be beyond the compulsory age of education in your state, have completed high school (or its equivalent), and be enrolled in an eligible program at your school. Other factors can affect a student's eligibility including making satisfactory progress in accordance with your school's policy, prior default of federal student loans or unpaid refunds on prior federal grants, the prior receipt of federal aid equal to or in excess of annual, lifetime, or aggregate limits, or certain convictions involving the possession, use, or distribution of illegal drugs. The ultimate determination of a student's eligibility is made during a complete examination of the student's file.

The student eligibility process begins with the student's submission of a FAFSA and the institution's receipt of the resulting Institutional Student Information Record (ISIR). Upon receipt of the ISIR, and upon the student's enrollment in an eligible program, you may begin the examination process of the student's file to determine federal aid eligibility.

The first examination of the ISIR file will be determine if the file was selected for verification (as indicated by the presence of an asterisk "*" at the end of the EFC number), or if the file was flagged with a "C" Code (as indicated by the presence of the letter "C" at the end of the EFC number). As described in Sections 8 and 9 of this manual, verification and/or "C" Code resolution functions are required to be completed prior to awarding aid to the student in these cases. If neither a verification flag nor "C" Code flag is present on the student's ISIR, you may continue the examination of the student's file to determine federal aid eligibility.

After checking for verification or "C" Code conditions, review the file to ensure that no conflicting information is present. Section 9.1 of this manual describes conflicting information in more detail. Upon the resolution of any existing verification, "C" Code issues, or conflicting information, and upon confirmation of the general eligibility requirements described above, the student's file is ready for packaging of his/her federal aid awards in GEMCOR's TEAM Software System.

Professional Judgment

The design of the FAFSA application process is one that provides a reasonable estimation of a family's financial resources available for educational expenses. The formulas use annual family income information from prior calendar years to estimate an expected family contribution or EFC. In some student files this generalization may not be reasonable to determine a family's current ability to pay for education. For example, the recent loss of income from a wage earner is not considered in the calculation of the EFC because the formula uses income information that could be up to two years old when the ISIR and EFC are being generated.

To account for these situations and to ensure that federal assistance goes to the families who need it most, financial aid administrators have the authority to use their professional judgment in adjusting these files. The use of professional judgment allows an institution to deviate from the traditional rules and determine federal aid eligibility for a student using more current financial information for the family.

Exercising your professional judgment must be done on only a case-by-case basis and must be completely documented. Documentation should include third party confirmation of the conditions that the family describes regarding its financial hardships.

The use of professional judgment must be authorized by an appropriate school official. In cases involving the use of professional judgment to report current income as opposed to prior year's income, the following procedures are to be followed:

- Document the necessity for the use of professional judgment.
- Have the use of professional judgment authorized by a school official.
- Complete verification on the original ISIR (if selected for verification)
- Obtain an estimate of the family's current year income including all sources of revenue.
- Submit an ISIR correction changing the prior year income to the estimated current year income.
- Submit the FAA adjustment flag with the ISIR correction indicating your use of judgment.
- Review the accuracy of the resulting corrected ISIR transaction.
- Package federal aid using the corrected ISIR transaction.

The use of professional judgment should be made sparingly and only in documented situations involving a material change in the family's financial resources.

Dependency Overrides

A student's dependency status is determined by federal statute. A series of questions on the FAFSA application will determine whether the student meets the statutory definition of an independent student or if the student is still considered to be dependent. Once again, the process designed is well equipped to handle virtually all situations effectively. However, in rare cases a student may be entitled to a dependency override. A dependency override is a process whereby a financial aid administrator changes a student's status to independent even though the student does not meet any of the statutory criteria to be considered independent.

In the same fashion as the use of professional judgment, dependency overrides are only to be done on a case-by-case basis based on adequate documentation. While the use of professional judgment regarding income as described in the Professional Judgment section above is not necessarily rare, especially in areas that have experienced significant economic decline, the use of dependency overrides is highly discouraged. Many aid administrators infer that if a student provides documentation that he/she is self-supportive and does not benefit from parental support, that this student is a case for a dependency override. This is completely false.

The USDE has been very direct in its statements that the use of dependency overrides must only be used in documented cases of parental abuse or abandonment. For example, if an otherwise dependent student was forced to leave home and become self-supporting due to an abusive home environment, the school may consider using its dependency override authority. In any case, documenting the existence of abuse or abandonment is crucial to the legitimacy of the dependency override. As with the use of professional judgment, dependency overrides must also be authorized by a school official.

If you are considering using your dependency override authority, contact GEMCOR for assistance. Our agents will offer additional suggestions regarding the documentation you have and will add another point of view to the file. Using your dependency override authority in cases that have inadequate documentation will result in the school being liable for a return of all aid processed for that student. Ultimately, GEMCOR recommends that the school follow three guidelines; document – document – and document!

Changes in Student Eligibility

Although rare, in some cases a student's eligibility for federal aid may change during the academic year or period of enrollment. Examples of changes in eligibility include:

- New information from NSLDS regarding the student's eligibility
- New information from COD regarding the student's eligibility
- Changes to enrollment status from term to term
- Transfers to different programs within the institution
- Re-instatement of student eligibility
- Loss of student eligibility

During a student's period of enrollment the institution must continually review the student's records to ensure that the student remains eligible for disbursements of aid previously anticipated. New ISIRs received from the CPS must be reviewed to determine if the new ISIR transaction affects the student's financial aid package at the school. Any changes must be communicated to GEMCOR so any required changes to the student's award as reported to COD can be made.

In the event GEMCOR receives information from COD that affects the student's eligibility, it will adjust the student's award as necessary and will report the changes to the institution.

The institution must report all withdrawals to GEMCOR regardless of whether or not a refund of unearned Title IV funds has been determined. For students who have withdrawn from the institution, the institution must report this change in the student's record in the TEAM system. The student's federal aid package will be adjusted and anticipated disbursements for future payment periods will be cancelled. In accordance with the requirements of the 150% subsidized loan limitation, students' loan periods will be adjusted and reported to COD as required.

For students enrolled in credit hour, term-based programs the institution must confirm the enrollment status of the student for each term for which the institution is disbursing federal funds. The enrollment status is included in each disbursement record in the TEAM system. When the enrollment status is modified by the user, the Pell grant award for that academic term will be automatically recalculated and adjusted for the modified enrollment status.

In the event it has been determined that the student's award has increased or decreased during the academic year, GEMCOR will make the appropriate changes to the student's awards. In a case of increased eligibility, GEMCOR will create an adjustment to bring the student's previously disbursed awards to the current level of eligibility. Anticipated disbursements for future payment periods will be corrected by GEMCOR to reflect the current eligibility. In a case of decreased eligibility, if the student received prior disbursements from the school that create an overaward, adjustments will be made by GEMCOR to reduce future payments for that award year to offset the overaward. If no future disbursements are available to offset the overaward, GEMCOR will advise the institution that a refund is due for the prior overpayment.

Active and consistent communication between the institution and GEMCOR is required on all student files to ensure the proper disbursement and reporting of federal aid awards.

Federal Student Aid Calendar of Events

The calendar of events below is not intended to be all-inclusive. It simply demonstrates the general events over the course of the year as they relate to your federal aid obligations. Specific deadline information will be communicated separately near the exact time of the event.

January-March

- Preparation and dissemination of IRS Form 1098T to students containing tuition payment information for the previous calendar year.
- Update Annual Gainful Employment Disclosure Information.
- Preparation of annual audits for institutions with a 12/31 FYE.
- Dissemination of annual Gainful Employment performance rates by the USDE
- Dissemination of annual Draft Cohort Default Rates by the USDE.
- IPEDS Winter Reporting.
- Filing of annual 1098T reports with the IRS

April-June

- Early awarding of Title IV recipients for the upcoming financial aid award year.
- IPEDS Spring Reporting.
- Final quarter of the current financial aid award year.
- Audit submission deadline for institutions with a 12/31 FYE.
- Attend FSA continuing education seminars with GEMCOR.

July-September

- First quarter of the new financial aid award year.
- Preparation and filing of annual FISAP reports.
- Preparation of annual audits for institutions with a 06/30 FYE.
- IPEDS Fall Reporting.
- Preparation and dissemination of updated consumer information data.
- Preparation and dissemination of updated Annual Security Reports.
- Update annual information for net price calculator requirement.
- Finalization of Pell Grant awards for the previously competed award year.
- Close out of FDSL award data for the prior-prior award year.
- Preparation and filing of annual gainful employment reporting requirement.
- Dissemination of Official Cohort Default Rates by the USDE.
- Attend FSA continuing education seminars with GEMCOR

October-December

- Early filing period for students to submit a FAFSA for the subsequent award year.
- Preparation and submission period for appeals on the official cohort default rates.
- Final quarter of the fiscal year for institutions with a 12/31 FYE.
- Prepare with CPA for examination of financial records and composite score information.
- Audit submission deadline for institutions with a 06/30 FYE.

Federal regulations require that institutions participating in the Federal Direct Student Loan (FDSL) Program maintain policies and procedures ensuring that administratively capable and compliant processes are used when administering FDSL program funds. Compliant administration begins with student application and continues throughout the award packaging, disbursement, reporting, and reconciliation stages. The following processes are implemented in response to the Direct Loan Quality Assurance requirements:

Student Application

All students seeking to obtain a FDSL award are required to file a Free Application for Federal Student Aid (FAFSA) and are encouraged to import their financial information via the IRS/DRT (Data Retrieval Tool) if available to them while submitting their FAFSA. Use of this tool ensures the most accurate submission of financial information to the CPS for ISIR preparation and EFC determination. Proper application and EFC determination is the start to ensuring compliant delivery of student loan awards. Students' ISIRs received from FAFSAs filed are reviewed by the institution, and any C code or verification requirements are resolved by the institution or GEMCOR prior to award packaging. As evidenced by the restrictions in GEMCOR's TEAM Software System, federal grant or loan awards cannot be packaged until all required verification and C code conditions are resolved.

Award Packaging

Significant and detailed system edits and code in GEMCOR's TEAM Software System provide for the most comprehensive and compliant processes available today for accurate FDSL award eligibility and loan amount determination. The following requirements and limitations are all taken into consideration by the software when determining loan eligibility amounts:

- Academic program length or remaining portion thereof
- Academic year length (Scheduled or Borrower Based)
- Loan period length
- Federal minimum loan period limitations
- Tuition and fees incurred during the loan period
- Estimated room and board expenses during the loan period
- Estimated personal expenses during the loan period
- Transportation expenses during the loan period
- Estimated other financial assistance during the loan period
- Expected family financial contributions for the loan period
- Annual Loan Limits
- Maximum eligibility periods (MEPs)
- Subsidized loan usage (SLU) periods
- Remaining eligibility periods (REPs)
- Aggregate outstanding principal balances of existing loans
- Counseling requirements
- Promissory note execution

The image on the following page demonstrates the data taken into consideration by the software system when packaging a loan award.

The screenshot displays the TEAM software interface for award management. The main area shows the following details for student JIMMY JOHN:

- ISIR: 1718 | 000000036|001 | 000000 | JIMMY JOHN
- Award Type: FDSL Federal Subsidized Loan
- Budget: O-COA1 - Students who dependents & living with a parent
- Award/Loan Period Begin Date: OCLNDR11-1/30/2017
- Award/Loan Period End Date: 10/27/2017
- Hours To Be Completed This Academic Year: 36.00
- Num Payment Periods in this Award: 3
- First Payment Period For This Award: 1
- Months in Award/Loan Period: 8.88
- Award Amount: \$3,500
- Maximum Award Amount: \$3,500
- First Time Borrower:

The details panel on the right includes:

- Student: JIMMY JOHN (443.854.0505)
- ISIR: 00000036|001 (Print ISIR | Print Quick View)
- ISIR Student ID: 000000036|001
- ISIR Process Date: 2/17/2016
- EPC: 000000
- Pell LEU: 250.000
- Bachelors Degree Before July 1: NO
- Working on Masters/Doctorate: NO
- ADPB Sub: \$5,750.00
- ADPB Combined: \$12,750.00
- MEP: 3.0000
- SLU: 0.0000
- REP: 3.0000
- Dependency Status: INDEPENDENT
- MPN: Entrance Counseling
- Two Academic Year Associates of Science Degree (2AYAS) - 01/30/2017
- Program Start Date: 1/30/2017
- Program Length hours: 90.00
- Transfer Hours: 0.00

Academic Year 1 details:

- Academic Year Start: 1/30/2017
- Academic Year End: 10/27/2017
- Enrollment Status: FT
- Hours in Academic Year: 36.00

Buttons for 'Award: Pell [edit]' and 'Student Data Sheet' are visible at the bottom of the details panel.

Videos available at <http://www.gemcorinc.com/technicalsupport.html> also describe the controls in place to ensure direct loan quality administration.

Loan Counseling

First time student loan borrowers are required to complete entrance counseling prior to the first disbursement of their loan proceeds. Loan counseling can be in the form of printed material or group, or individual, discussion but students are encouraged to complete the entrance counseling requirement online through the USDE's loan counseling material at www.studentloans.gov. The online process ensures that up to date information is provided to students regarding loan regulations and the borrower's rights and responsibilities. Additionally, GEMCOR will obtain counseling confirmation from the Common Origination & Disbursement (COD) System and will reflect this data in the TEAM System daily. This allows client institutions to immediately confirm that online counseling has been completed prior to disbursement.

Master Promissory Notes

Student borrowers are advised to complete an electronic master promissory note (E-MPN) at www.studentloans.gov. Although Direct Loan awards can be packaged in GEMCOR's TEAM Software System before a promissory note is executed, GEMCOR's internal system limitations and controls prohibit the drawdown of any federal loan funds from G5 for any loans that are not attached to a valid promissory note in COD. This restricts any possibility of a condition referred to as "Unbooked Loans". FDSL monthly reconciliation is a process that identifies and reconciles unbooked loans (loans funded for which a promissory note is not linked). Accordingly, using GEMCOR's quality assurance program, there is never a condition of reconciliation errors due to unbooked loans.

Loan Disbursement

When a student is eligible for a disbursement of loan proceeds for a payment period, the institution will approve that it wishes to make that disbursement through processes provided for in the TEAM Software System. At this time, an authorized school official will confirm the student's eligibility for this disbursement through a series of certifications. This process occurs with each disbursement of each loan award to further ensure program compliance.

This institutional eligibility approval is then processed through GEMCOR's internal computer systems which provide an additional layer of review and confirmation of the expected disbursement and amount. This loan disbursement record is then electronically reported to COD for a third layer of edits and approval. Upon acceptance and approval of the disbursement by COD, and only upon such acceptance, is the institution notified that it may then disburse those funds on behalf of the student borrower for the payment period intended. Although federal regulations require that institutions report disbursements of federal aid up to 15 days after such funds are disbursed, GEMCOR's policies and procedures require that disbursements of federal aid by client institutions be reported to and accepted by COD before funds are ever drawn down from G5. This "records first" process is well known by the USDE and results in the tightest control of federal financial transactions. Requiring that loan disbursements be approved and accepted by the USDE's COD system before being funded further ensures that routine reconciliation of program activity is 100% balanced in real time on a daily basis resulting in the strictest quality assurance for Direct Loan transactions.

The above processes also result in strict cash management compliance regarding drawdowns of federal funds and excess cash restrictions. See Section 11 of this Guide for detailed information and policies regarding cash management, refund transactions, treatment of refund cash on hand, and their additional impact on quality assurances regarding Direct Loan Program administration.

Daily Reconciliations

As described above, daily student disbursement records and disbursement adjustments resulting from refunds are reported to COD each day. This daily process ensures the quickest possible reporting of federal fund activity to the USDE. Each day GEMCOR reviews the results received electronically from COD for the prior day's submission of student records. This process requires a GEMCOR official to match the number of records submitted to COD in that batch with the number of response records received from COD relative to that records batch. Any discrepancies in record totals are immediately resolved. Subsequent to reconciliation of daily record counts, each disbursement or disbursement adjustment record is reviewed to ensure acceptance and approval of that record by COD. Any rejects or warning notifications are immediately resolved and resubmitted to COD if necessary. These daily reconciliation functions ensure that award activity is reconciled between institution's records and COD's records on a daily basis.

GEMCOR's systems provide for a *Daily Award Journal* to be created and electronically disseminated to each client for each day the institution has award activity. The institution then reconciles this *Daily Award Journal* with its student ledger accounts further resulting in daily award reconciliation processes between GEMCOR, COD, and the institution.

Monthly Reconciliation

Multiple reconciliations of federal transactions are performed on a monthly basis by GEMCOR on behalf of its client institutions. These reconciliations involve cash activity reconciliations and cumulative disbursement activity reconciliations.

Cash activity reconciliations involve both bank statement reconciliation as well as Direct Loan Account Summary (DLSAS) reconciliation. GEMCOR's accounting department maintains the responsibility for monthly bank statement reconciliation. See Section 11 of this Guide for detailed information about cash management. Reconciliation of each institution's monthly federal funds bank statement with its general ledger ensures that federal cash activity is properly balanced, properly accounted for, and that funds are not improperly maintained beyond allowable timeframes. Any cash on hand from refund activity is routinely and regularly returned to the USDE electronically through its G5 cash management system. This process further ensures administrative compliance, quality assurance, and zero unbalanced award documents.

Similar to bank account statements, monthly Direct Loan account statements (DLSASs) are received during the first week of the subsequent month. GEMCOR's FDSL Department maintains control and responsibility for prompt and routine reconciliation of DL account statements. As mentioned previously, GEMCOR's existing controls during award generation, calculation, COD reporting, and its daily reconciliation procedures significantly minimize any reconciliation matters with monthly DL account statements. Account statements routinely indicate zero irregularities with activity balanced within each month. In the event the account statements indicate cash activity other than zero balance, the amounts are manually reconciled with COD activity and GEMCOR general ledger activity.

Ad Hoc Reconciliation

As institutions administer daily activity on-campus, student withdrawal information is provided to GEMCOR. Upon receipt of withdrawal information from the institution GEMCOR performs the following adjustments to the student's record:

- Reduction of disbursement amounts to reflect any refund activity, if applicable.
- Review the loan origination record to determine the need for any loan period modification.
- Reduce any unpaid subsequent disbursement records to \$0
- Adjust loan period ending dates, if applicable.
- Report common record changes to COD, if applicable.

The above functions ensure that all student origination records are accurate and compliant with 150% subsidized loan usage limitation regulations and requirements.

Annual Reconciliations/Close Outs

GEMCOR reconciles all disbursement activity for the award year on behalf of its client institutions. Upon the conclusion of the award year and subsequent to the end of all loan periods for awards originated during that award year, GEMCOR will confer with the institution to balance all unpaid expected disbursement records that remain active. Any existing unpaid disbursements are reduced to \$0 and loan period end dates are adjusted if applicable. This ensures that there are no remaining disbursement records in COD for the recently completed award year. After reconciling any disbursement records as mentioned above, and after confirming a zero cash balance, GEMCOR will officially process a close out of the award year with COD.

Finally, in preparation for the institution's required annual compliance audit process, GEMCOR performs an additional annual review of all program activity to confirm administrative compliance. GEMCOR's Audit Package provides cumulative net disbursement information for the award year separated by Title IV program along with COD and G5 documentation balancing all disbursement activity with cash activity for the award year.

Appendix A

TEAM Academic Program Record Form

Academic Program Record

PROGRAM NAME

PROGRAM TYPE

 Clock Hour

 Credit Hour (Non-Term)

 Credit Hour (Term-Based)

PROGRAM LENGTH

<input style="width: 100%; height: 30px;" type="text"/> Clock Hours	<input style="width: 100%; height: 30px;" type="text"/> Credit Hours	<input style="width: 100%; height: 30px;" type="text"/> Number of Weeks (Full Time)	<input style="width: 100%; height: 30px;" type="text"/> Number of Terms (If Term-Based)
---------------------------------------------------------------------	----------------------------------------------------------------------	-------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------

ACADEMIC YEAR LENGTH * (* If unsure, leave blank)

<input style="width: 100%; height: 30px;" type="text"/> Clock Hours	<input style="width: 100%; height: 30px;" type="text"/> Credit Hours	<input style="width: 100%; height: 30px;" type="text"/> Number of Weeks (Full Time)	<input style="width: 100%; height: 30px;" type="text"/> Number of Terms (If Term-Based)
---------------------------------------------------------------------	----------------------------------------------------------------------	-------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------

CREDENTIAL LEVEL * (* If unsure, leave blank)

- Undergraduate Diploma or Certificate Program
- Associate's Degree Program
- Bachelor's Degree Program
- Graduate / Master's Degree Program

CIP CODE * (* If unsure, leave blank)

EFFECTIVE DATE

TUITION & FEES ASSESSMENT (How are Program Fees Charged?) Check One and Complete the Fee Information

Charged by Program

All Fees are Charged Up Front Upon Enrollment (One Debit to the AR Ledger at Enrollment)

Charged by Academic Year

Separately by Academic Year (Separate Debits to the Ledger for Each Academic Year)

Charged by Payment Period/Term

Separately by Payment Period (Separate Debits to the Ledger for Each Payment Period/Term)

Tuition & Fees
\$ <input style="width: 90%; height: 25px;" type="text"/>
Books & Supplies
\$ <input style="width: 90%; height: 25px;" type="text"/>

	Tuition & Fees	Books & Supplies
AY - 1	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
AY - 2	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
AY - 3	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
AY - 4	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>

	Tuition & Fees	Books & Supplies
PP - 1	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 2	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 3	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 4	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 5	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 6	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 7	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>
PP - 8	\$ <input style="width: 80%; height: 25px;" type="text"/>	\$ <input style="width: 80%; height: 25px;" type="text"/>

Attach a separate sheet for programs with more than 8 payment periods/terms

By signing below I certify that I am an authorized official of the institution listed below and I authorize GEMCOR, Inc. to create an academic program record based on the information provided for purposes of packaging Title IV federal student aid. I agree to report any changes to this information as such changes occur to ensure accurate program administration.

School Name

School Official's Signature

School Official's Name and Title

____/____/____
Date

Appendix B

Cost of Attendance (CoA) Budget Determinations



GEMCOR, Inc.

Institutional Servicing and Software

400 Quadrangle Drive Bolingbrook, Illinois 60440

Creating Your Cost of Attendance Allowances for Living Expenses

All schools are required to have a living allowance budget for cost of attendance purposes regardless of whether you provide on-campus housing or not. Federal aid can be used for both direct educational expenses (tuition, fees, books) as well as for indirect educational expenses (living costs while attending school). Typically institutions without student housing determine an allowance for these expenses for the purpose of cost of attendance determination. This publication is an example of how you might determine your living expense budget amounts. These expenses should be based on your demographic area so for a housing allowance (rent), use the attached as a tutorial and not as your allowance for housing.

For simplicity we advise clients to create monthly allowances for cost of living. A monthly allowance can be used universally for both FT and PT students as well as for students enrolled in different programs. Here's a description of how the allowances were determined in the attached sample monthly budget calculation:

Room (Rent)

A search of rental properties in our zip code was done. The 4 properties that came up had rents of \$940, \$1425, \$1220, and \$1375. All 4 amounts were added together and divided by 4 to get an average monthly rent expense in our zip code. To be conservative a multi-tenant approach was used (similar to the concept of dorm units at universities). A search of 2-bedroom units was performed and resulted in an average rent expense of \$1240/month. Then 50% of that amount was used as a rent expense for the student under a shared living approach. The amount was \$620/month for students living on their own. I further reduced that amount by 50% to arrive at a reduced rent expense for students living with their parents.

Board (Food)

The IRS was kind enough to publish a schedule of national living expenses. The allowance provided for food was \$315/month.

Personal Expenses

Again using the IRS publication, I arrived at an allowance for Miscellaneous and Personal Expenses of \$270/month.

Transportation

Using an estimate of students traveling 20 miles round trip for school each day, a transportation allowance of \$216/month was calculated as follows:

$20 \text{ miles/day} \times 5 \text{ days week} \times 4.33 \text{ weeks/month} \times \$0.50/\text{mile} = \$216/\text{month}$.

If you are located in an area with adequate public transportation, you can simply use the cost of a monthly bus/train ticket as your transportation allowance in lieu of doing an average mileage calculation.

Those are the basic and required budget amounts that you need. You can create as many standard budgets as you wish but you need at least the 2 categories defined in our COA Budget Form. You can also make budget adjustments to any student file using your professional judgment authority. These budget adjustments might include an allowance for dependent care or increases/decreases to your standard amounts if you have students with unusual circumstances.

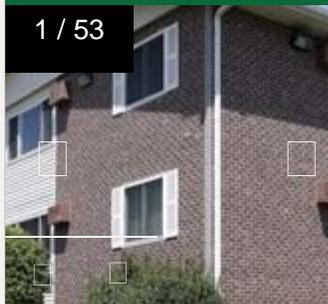
Always maintain backup documentation of your COA budget allowances. The attached documents provide a good example of backup documentation. It may be requested during an audit or program review of your Title IV administration.

Min Rent Max Rent 2 Beds Filters Polygon Show All

Neighborhoods Save

10 Rentals Available

1 / 53



308 Woodcreek Dr
Bolingbrook 60440
\$940
Available 09/12/15 | 2 Br
877-418-7298 More

The Meadows at Riv... AMC



350 Whitewater Dr
Bolingbrook 60440
\$1,425 - \$1,573
Available Now | 2 Br
815-306-0162 More

The Promenade Apa...

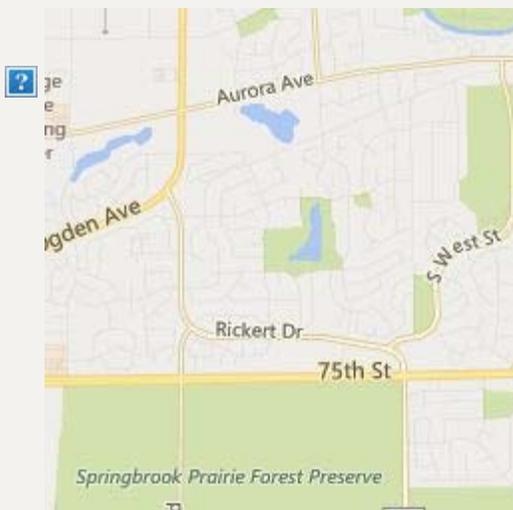


601 Preston Dr
Bolingbrook 60440
\$1,220
Available Now | 2 Br
630-445-1751 More

242 Diane Ln
242 Diane Ln, Bolingbrook 60440
\$1,375 | Available Now | Townhome for Rent More

60440 Houses Townhomes

Studio
1 Bedroom



Allowable Living Expense National Standards - effective 03/30/2015

Expense	One Person	Two Persons	Three Persons	Four Persons
Food	\$315	\$588	\$660	\$821
Housekeeping supplies	\$32	\$66	\$65	\$78
Apparel & services	\$88	\$162	\$209	\$244
Personal care products & services	\$34	\$61	\$64	\$70
Miscellaneous	\$116	\$215	\$251	\$300
Total	\$585	\$1,092	\$1,249	\$1,513

More than four persons	Additional Persons Amount
For each additional person, add to four-person total allowance:	\$378

Please note that the standards change. We recommend you check the IRS.gov website periodically to assure you have the latest version.

Cost of Attendance Budget Data Form

Accurate Cost of Attendance information is necessary for proper determination of students' federal awards. A student's Cost of Attendance includes tuition, fees, books, supplies, as well as allowances for room and board, miscellaneous personal expenses, and transportation to/from school. The tuition, fees, books, and supplies component will be calculated based on the institutional charges recorded in the Academic Program Record in GEMCOR's Web TEAM Application. The allowances for room and board, personal expenses, and transportation will be calculated by the TEAM system based on the length of a student's award/loan period, and the monthly allowances identified below.

Schools are required to have separate budget estimates for living expenses for two categories of students; students who have no dependents and who live with their parents, and all other students.

Please provide your monthly expense allowances in the categories below which will be used as your standard living expense budget for students' needs analysis determinations.

Budget Category #1

**Students with no dependents
& who live with their parents**

\$
\$
\$
\$

Monthly Room & Board Allowance
Monthly Personal Expense Allowance
Monthly Transportation Expense Allowance
Monthly "Other" Expense Allowance

Budget Category #2

All Other Students

\$
\$
\$
\$

You only need to provide MONTHLY allowance amounts for your budgets. Your budgets should represent reasonable cost estimates for the student, not the entire family, and should not reflect a higher standard of living than one would reasonably expect. Excessive budgets can result in unnecessary over-borrowing on the part of your students. Budgets should be reviewed periodically and may be adjusted to reflect significant changes in economic conditions. At your discretion you can also modify any individual student's Cost of Attendance when packaging

Room & Board: This allowance should represent basic rent and food expenses. To avoid excessive rent expenses you may consider a "roommate" scenario similar to university dorm housing where rents for a 2-bedroom unit can be prorated for each cohabitant.

Personal Expenses: These include non-rent and non-food expenses including but not limited to utilities, clothing, insurance, etc.

Transportation: This allowance should represent a transportation allowance to and from school. It should not include car payments or insurance. It should only be reflective of educationally related transportation expenses.

By signing below I certify that I am an authorized official of the institution listed below and I authorize GEMCOR, Inc. to create the cost of attendance living expense allowances based on the information provided for purposes of packaging Title IV federal student aid.

School Name

School Official's Signature

School Official's Name and Title

____/____/____
Date

Appendix C

TEAM User Access Authorization Form

Web Based TEAM Application

This publication will provide guidance on creating User Accounts for federal aid administration using GEMCOR's Web based TEAM Application. The TEAM Application offers the most flexible and convenient way to process your students' Title IV federal student aid awards.

Using our new Web Based TEAM Application, you'll be able to access ISIR data and package student awards for any campus you work with, at any time you wish from any computer with Internet connectivity. Our new TEAM Application will eliminate the need for any file exports or transmissions. New ISIRs will be automatically loaded into your online database each day by GEMCOR, and your daily payment requests will be automatically exported by GEMCOR for processing and awarding.

Because of the sensitive and personal nature of the data contained in your students' ISIRs and to ensure proper protection of that data from unauthorized access, all TEAM users must have unique user accounts. User accounts can only be created by GEMCOR. All TEAM users' accounts must be requested by an authorized school official. And, each user must have a unique email address which will be used only for password reset purposes. You may not share an email address with multiple TEAM user accounts.

Attached you will find a TEAM User Authorization Form. A separate form must be completed for each person in your school to whom you wish to grant TEAM access. Please photocopy the authorization form as necessary. Additionally, multiple levels of security and authorization are permitted for each user. These levels of authorization are explained in an attachment to this letter. In summary, you can have users who's only access is to view and print ISIRs, while other users can be given authority to approve verification, C codes, package awards, request payments, etc.

Please complete and return your User Authorization Forms so we can create your user profiles. If you have any questions, feel free to contact us any time. Thank you and we are confident that you will find our Web Based TEAM Application to be an extremely user-friendly and flexible system designed with the utmost accuracy and ease of use possible.

Best regards,

Don Grybas, President
GEMCOR, Inc.

Creating TEAM User Accounts

- Each person being given access to TEAM must have a unique User Account
- Each User Account must have a unique email address for password reset purposes
- Passwords will be required to be changed every 90 days
- User Accounts and passwords are not to be shared with any other person
- User Accounts will be created by GEMCOR after receipt of a signed Authorization Form
- Users will only be given the permissions established on the Authorization Form

User Account Permissions

View/Print ISIR Records

This permission authorizes the user to view and print student ISIR records only.

View/Print Everything

This permission authorizes the user to view and print disbursement listings, award letters, and general TEAM System reports.

Package Awards/Create Disbursements

This permission authorizes the user to package student files and create disbursement records.

Approve Disbursements

This permission authorizes the user to approve the actual disbursement of pending payments.

Refunds

This permission authorizes the user to create Title IV refund entries to the student file.

Verification/C Code Approvals

This permission authorizes the user to approve an ISIR's verification and/or C code status. It will allow the user to confirm that adequate verification or C code resolution documentation is on file without the independent review of GEMCOR staff.

Counseling Information

This permission authorizes the user to record/modify a student's entrance counseling status.

COA Budget Information

This permission authorizes the user to create/modify cost of attendance budget information.

Export Capability

This permission authorizes the user to export data from the TEAM Application for import into other on-campus computer software applications.

Supervisor

This permission authorizes the user to perform all functions available in the new TEAM Application and places no restrictions on access or data modification. This permission should only be granted to high-level, experienced individuals with complete, on-campus authority over student records and the administration of Title IV awards.

Users may be given a single permission, multiple permissions, or complete supervisory access. Place a check mark by all permissions being granted on the Authorization Form. Users cannot create accounts or modify permissions. This can only be done by GEMCOR after receipt of a completed Authorization Form.

TEAM System User Authorization Form

Employee Name

Email Address*

Date of Birth*

Mother's Maiden name*

User Name (min 8 characters)

The User Name will be used each time the user logs into TEAM. It can be any user name that the user selects. It is not case-sensitive. We recommend that the user create a user name that will be easy to remember.

School Name(s)

List all campuses above to which the user is being granted access (including any additional locations). Attach a separate sheet if the user is being given access to more than 8 campuses.

User Account Permissions

Check All That Apply

- View/Print ISIR Records**
This permission authorizes the user to view and print student ISIR records only.
- View/Print Everything**
This permission authorizes the user to view and print disbursement listings, award letters, and general TEAM Application reports.
- Package Awards/Create Disbursements**
This permission authorizes the user to package student files and create disbursement records.
- Approve Disbursements**
This permission authorizes the user to approve the actual disbursement of pending payments.
- Refunds**
This permission authorizes the user to create Title IV refund entries to the student file.
- Verification/C Code Approvals**
This permission authorizes the user to approve an ISIR's verification and/or C code status. It will allow the user to confirm that adequate verification or C code resolution documentation is on file without the independent review of GEMCOR staff.
- Counseling Information**
This permission authorizes the user to record/modify a student's entrance counseling status.
- COA Budget Information**
This permission authorizes the user to create/modify cost of attendance budget information.
- Export Capability**
This permission authorizes the user to export data from TEAM for import into other on-campus computer software applications.
- Supervisor**
This permission authorizes the user to perform all functions available in the TEAM Application and places no restrictions on access or data modification. This permission should only be granted to high-level, experienced individuals with complete, on-campus authority over student records and the administration of Title IV awards.

*These fields will be used only for password reset functionality. GEMCOR never shares any personal information with any other third party.

School Official's Certification

By signing below I certify that I am an authorized official of the institution(s) listed above and I authorize GEMCOR, Inc. to create a TEAM User Account for the individual named herein. The user shall be granted only the permissions I've checked above and shall be granted access to data pertaining only to the schools listed above.

School Official's Signature	School Official's Name and Title	/ / Date
------------------------------------	-----------------------------------------	--------------------

Appendix D

Student Responsibilities for Federal Aid Application

U.S. Department of Education Student Financial Assistance

Students interested in applying for financial assistance available through the U.S. Department of Education (USDE) must complete their application process as soon as possible to ensure eligibility for these funds and to ensure that your educational goals can be met without interruption. The most common sources of federal aid are made available to students through the Federal Pell Grant Program and the Federal Direct Student Loan Program.

Federal Pell Grants are available to low income families and do not have to be repaid. Effective with the 2017-2018 award year, these grants provide up to \$5,920 of free financial assistance for each academic year of education. Federal Stafford Loans are also available to most students and can provide approximately \$9,500 per academic year for independent students or \$5,500 per academic year for dependent students. The USDE may subsidize a portion of these loan amounts for low income families resulting in the family incurring no interest on these loans while the student is completing his/her education. Unsubsidized Stafford Loans are generally available to any student regardless of income or credit history. These student loans are not free money and must be repaid. Repayment of your student loans generally begins in the 7th month after you complete your training or withdraw from the program.

Applying for federal financial aid is an easy, web-based process. You can apply for and monitor your financial aid process at www.studentloans.gov. This USDE web site is a student's home page for his/her federal aid application process. There are only two documents that you need to complete via this web site to begin your financial aid process:

- ***Free Application for Federal Student Aid (FAFSA)***

This application must be completed by you (and your spouse, if married OR your parents, if you do not meet the statutory definition of an "independent" student as determined during the application process). It is extremely important any income reported on the FAFSA is imported using the "IRS Data Retrieval" process available to you as you complete your FAFSA online. This will ensure accurate data and will reduce the possibility that you will need to obtain proof of your tax information from the IRS which will significantly delay your federal aid. When you complete the application, you should include the school's 6-digit code number so the institution receives the results of your application.

- ***Electronic Master Promissory Note (E-MPN)***

If you are applying for student loans, you must complete an electronic master promissory note (E-MPN). You must also include the school's 6-digit code number on this document.

Both of the above documents require your electronic signature for authorization. Your USDE issued FSA (Federal Student Aid) ID (formerly your PIN) is used as your electronic signature. If you do not have a FSA ID or PIN, you may also register for one to be issued through the USDE web site.

Before the institution may disburse any loan proceeds on your behalf you may also have to complete a process called "***Entrance Counseling***". This is required by all first-time borrowers and can also be completed by you electronically through the www.studentloans.gov web site. This counseling should be taken very seriously as it explains your rights and responsibilities regarding your student loans. We encourage you to review your responsibilities regarding your federal student loan multiple times. The programs in which you enroll, and whether or not you complete your program, have significant effects on your eligibility and on your loan repayment obligations.

Financial aid administrators are available at the school for any questions you may have about your financial aid process. Please complete the requirements described in this letter as soon as possible and congratulations on your decision to further your education.

The Federal Aid Process

After completing the FAFSA, E-MPN, and counseling requirement (if required) your file will be reviewed by our financial aid administrators to determine your eligibility for federal student aid. In order to begin receiving aid, and to continue receiving future disbursements, you must be making satisfactory academic progress in accordance with the institution's policy. You may also be required to provide additional information to confirm your eligibility in accordance with the results of your FAFSA application. When your financial aid file is complete, your financial need will be determined and a financial aid package will be offered to you. Your Award Notification letter will include all information regarding your financial aid package.

Your financial need is generally determined by examining an estimate of your cost of attendance for the academic year against your family's expected financial contribution and any other types of educational financial assistance you may be receiving for that school year. If you have a complete file containing no conflicting information, you meet all other eligibility requirements, and are determined to have financial need you will be eligible to receive federal student financial assistance.

Federal grants and subsidized student loans (to the extent the student is eligible) will be awarded before any unsubsidized loans. This provides the most financial benefit to the student and the student's family. Your eligible federal aid for the school year will be divided into two equal payments for periods of time called "payment periods". Half of your federal aid will be disbursed for the first half of the academic year, and the second half is eligible to be disbursed when you successfully complete the midpoint of the academic year. These periods of time may be shorter for periods of enrollment less than a full academic year, i.e. programs less than 900 clock hours and 26 weeks in length or remaining portions of longer programs in which the remaining portion of the program is less than 900 hours. Always contact the financial aid office with any questions you have regarding your financial aid.

You will be notified whenever any of your federal aid has been disbursed. In accordance with applicable statutes and regulations, federal aid for each payment period will be credited to your account with the institution and will be applied to tuition and fees for that period, as well as to any other educational charges (i.e., textbooks, supplies, and equipment) for which you have authorized the institution to use your federal aid. In event that federal aid disbursements exceed the amount of allowable charges owed to the institution for that period, you are entitled to receive that excess credit balance and use those funds for other educational expenses including non-institutional costs of attendance.

The institution will make every effort to disburse your federal aid on a timely basis, however, a review of your academic and financial aid files must be done prior to disbursing any aid to confirm that you are maintaining satisfactory progress and that you remain eligible for your federal student aid. Failure to complete your program of study can also have adverse impacts on your federal aid. You are advised to review the institution's policies regarding Satisfactory Academic Progress, Withdrawals, and Return of Unearned Aid for more detailed information about how these policies affect your federal aid eligibility.

Financial aid administrators are available to answer any questions you may have about your financial aid eligibility, awards, and disbursements.

Appendix E

FSEOG Recipient Selection Policy

Federal Supplemental Educational Opportunity Grant

Recipient Selection Policy (Sample)

The institution participates in the Federal Supplemental Educational Opportunity Grant (FSEOG) program. Each award year, the U.S. Department of Education authorizes funds for disbursement under this program. These funds are awarded to students attending the institution based on the following selection policy:

For each award year (July 1 through June 30), the total FSEOG funds allocated to the institution by the department will be divided into fourths. One fourth of the annual allocation will be awarded to undergraduate students enrolled at the institution during each of the following quarters;

- July 1 to September 30
- October 1 through December 31
- January 1 through March 31
- April 1 through June 30

Students selected to receive FSEOG awards will be those students who are deemed by the institution to have exceptional financial need. Priority of student awards is based on students having the lowest expected family contribution figures (EFCs) as indicated on the student's SAR or ISIR for the applicable award year. Priority will also be given to existing recipients of Federal Pell Grant funds.

Individual student awards will be no less than \$100, and no more than \$4,000 per academic year in accordance with federal regulations. Also, in accordance with federal regulations, the institution will contribute a matching percentage of the total FSEOG awards. This contribution will be no less than 25% of the total FSEOG funds awarded. Institutional matching funds will be provided either by the institution directly as a credit to a student's account, or by allocating a portion of state grant funds made available to the institution by the State.

Note to Institutions

If you elect to perform your matching requirement by using state grant funds, no portion of these state grant funds may contain any federal matching funds available through the LEAP (formerly SSIG) program. Contact your State funding authority to determine if state grant funds contain federal matching funds from LEAP.

Appendix F

Verification Policy/Procedures & Forms

VERIFICATION POLICY

Verification is a process which requires an institution to confirm the accuracy of information used to determine a student's eligibility for federal student assistance. A student's file may be selected for verification by either the school or by the U.S. Department of Education.

If a student's file has been selected for review under the verification process, depending upon the reason the file was selected, some of all of the following information may be requested from the student:

- A completed Verification Worksheet, signed by the student, spouse or parent when applicable.
- A copy of an IRS Tax Return Transcript from the U.S. Internal Revenue Service will be required unless the student (and parents where applicable) have properly used the IRS Data Retrieval Tool to import tax information into the student's FAFSA record. A Tax Return Transcript will serve to confirm the accuracy of income and other tax related amounts that the student reported on his/her FAFSA application if the IRS/DRT has not been used.

Obtaining Tax Return Transcripts

Students can obtain tax return transcripts:

- Via the Internet at www.irs.gov
- Via phone by calling 1-800-908-9946
- Via mail or fax by completing IRS Form 4506T-EZ

Internet and phone requests are easy and tax return transcripts will be mailed to the tax filer's address within 5-10 days. Submission of Form 4506T-EZ can authorize mailing of the transcript to a third party (such as the institution) but will take approximately 30 days.

- Other documentation may be requested by the institution to verify the accuracy of your application information including, but not limited to, marital settlement agreements, divorce decrees, W-2 forms, etc.

Students must provide the above information to the institution within 120 days of the student's last date of attendance, or before the respective award year funding processes close in accordance with dates published annually in the Federal Register, whichever is earlier. Failure to complete the verification requirements on a timely basis may result in forfeiture of any federal aid awarded during the award year.

Students will be notified by the institution if any discrepancies are discovered during the verification process. Students may be required to correct any erroneous information by using the ISIR correction process at www.fafsa.ed.gov. The verification process is not considered to be completed during periods of corrective action. Corrections generally include a recalculation of the student's EFC, and electronic resubmission of applicant information through the FAFSA Central Processor.

If a student's award changes as a result of the verification process, the student will be counseled and informed of how the change affects his/her packaging and financial obligations to the institution.

In the event this verification process identifies that a student received an overpayment of federal aid, the student will be required to refund the overpayment promptly. The student will be ineligible for any future federal aid until any and all amounts owed are repaid. If the student fails to repay any refund due, or if the institution determines that the student may have engaged in fraud or misrepresentation regarding the federal aid process, the student will be referred to the U.S. Department of Education for further investigation and prosecution.

Students will forfeit their right to federal assistance for non-compliance with verification policies.

2017-2018 Award Year Verification Procedures

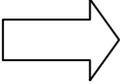
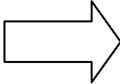
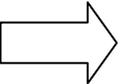
Newly effective with the 2017-2018 federal aid award year are the elimination of verification requirements regarding child support paid, a family's receipt of SNAP (Supplemental Nutrition Assistance Program) benefits, and the elimination of Verification Tracking Group 6 regarding low-income applicants.

Files that are selected for verification are placed in one of three different *Verification Tracking Groups* (V1, V4, or V5). Based on which group the file is placed, verification procedures may be modified. The procedures listed below are to be followed when completing verification requirements for each group.

Upon receipt of the student's ISIR and any required verification documents from the student, the following data elements are reviewed against the applicant's ISIR for accuracy:

Verification Tracking Group "V1"

The following data elements are required to be verified against the required documentation listed:

<i>ISIR Data Field</i>		<i>Acceptable Documentation</i>
<p>Tax Filers</p> <ul style="list-style-type: none"> • Adjusted Gross Income • U.S. Income Tax Paid • Untaxed Portions of IRA Distributions • Untaxed Portions of Pensions • IRA Deductions and Payments • Tax Exempt Interest Income • Education Credits 		<div style="border: 1px solid black; padding: 5px;"> <p>Use of the IRS Data Retrieval Tool as evidenced by a "02" code on the 16-17 or 17-18 ISIR Or An official IRS Tax Return Transcript Or Signed Copy of U.S. Income Tax Return</p> </div>
<ul style="list-style-type: none"> • Number of Family Members • Number in College 		<div style="border: 1px solid black; padding: 5px;"> <p>Completed and Signed "V1" Verification Worksheet</p> </div>
<p>Non-Tax Filers</p> <ul style="list-style-type: none"> • Income earned from work • Number of Family Members • Number in College 		<div style="border: 1px solid black; padding: 5px;"> <p>Completed and Signed "V1" Verification Worksheet</p> </div>

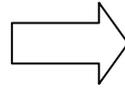
Verification Tracking Group "V2" (Reserved for Future Use)

Verification Tracking Group "V3" (Reserved for Future Use)

Verification Tracking Group “V4”

The following data elements are required to be verified against the required documentation listed:

- High School Completion Status
- Identity/Statement of Educational Purpose



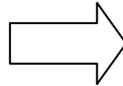
**Completed and Signed “V4”
Verification Worksheet**

Verification Tracking Group “V5”

The following data elements are required to be verified against the required documentation listed:

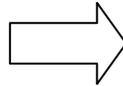
Tax Filers

- Adjusted Gross Income
- U.S. Income Tax Paid
- Untaxed Portions of IRA Distributions
- Untaxed Portions of Pensions
- IRA Deductions and Payments
- Tax Exempt Interest Income
- Education Credits



**Use of the IRS Data Retrieval Tool as
evidenced by a “02” code on the
16-17 or 17-18 ISIR
Or
An official IRS Tax Return Transcript
Or
Signed Copy of U.S. Income Tax
Return**

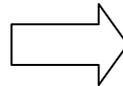
- High School Completion Status
- Identity/Statement of Educational Purpose
- Number of Family Members
- Number in College



**Completed and Signed “V5”
Verification Worksheet**

Non-Tax Filers

- High School Completion Status
- Identity/Statement of Educational Purpose
- Income earned from work
- Number of Family Members
- Number in College



**Completed and Signed “V5”
Verification Worksheet**

Verification Tracking Group “V6” (Reserved for Future Use)



2017-2018 Verification Worksheet (Dependent Student) Verification Tracking Group V1



Your 2017-2018 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. Federal regulations require that before awarding federal student aid, we ask you to confirm the information you reported on your FAFSA to verify that you provided correct information. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school.

SECTION 1 INCOME VERIFICATION

- | | | | |
|-----|------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | | Yes | No |
| 1a. | Did you file, or are/were you required to file a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b. | Did your parents file, or are/were your parents required to file, a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |

If you (and/or your parents) filed, **or are/were required to file**, a U.S. Income Tax Return for 2015, to satisfy this requirement you are encouraged to use the IRS Data Retrieval process to electronically import your tax information into your FAFSA record. This can be done at www.fafsa.ed.gov. If you cannot use this option, you must provide the institution with an **IRS Tax Return Transcript** available either online at www.irs.gov or by calling 1-800-908-9946.

If you (and/or your parents) did not file, **and are/were not required to file**, a U.S. Income Tax Return for 2015, you must list the source and amount of income earned during 2015 below **and provide copies** of W-2s forms to the financial aid administrator at the institution.

IF YOU OR YOUR PARENT DID NOT WORK IN 2015 AND HAD NO EARNED INCOME IN THAT YEAR, ENTER "NA" (NOT APPLICABLE) IN THE EMPLOYER COLUMN AND ENTER "\$0" OR "ZERO" IN THE APPLICABLE AMOUNT EARNED COLUMN.

<i>Employer's Name</i>	<i>2015 Amount Earned by Student</i>	<i>2015 Amount Earned by Parent</i>	<i>You must include your IRS W2 or 1099. Explain here if it is not provided.</i>

SECTION 2 FAMILY SIZE VERIFICATION

List below the people in your family that will receive more than half of their support from your parents from 7/1/17 through 6/30/18. Also provide the name of any college/university/vocational school that a person in your family will attend on at least a half time basis during 7/1/17 – 6/30/18. The first line should represent the student for whom this form is being completed, and whose signature will appear in the Certification at the bottom of this page.

<i>Full Name</i>	<i>Age</i>	<i>Relationship</i>	<i>College at Which Enrolled at Least Half Time</i>
<i>SELF / STUDENT</i>			

CERTIFICATION & SIGNATURE

Each person signing below certifies that all of the information reported on this worksheet is complete and correct.

Student's Signature	/ /	Date
Parent's Signature (at least one must sign)	/ /	Date

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, sent to prison, or both.

2017-2018 Verification Worksheet (Dependent Student) Verification Tracking Group V5 (Page 1 of 2)

Your 2017-2018 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. Federal regulations require that before awarding federal student aid, we ask you to confirm the information you reported on your FAFSA to verify that you provided correct information. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school.

- SECTION 1 INCOME VERIFICATION**
- | | Yes | No |
|----------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1a. Did you file, or are/were you required to file a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b. Did your parents file, or are/were your parents required to file, a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |

If you (and/or your parents) filed, **or are/were required to file**, a U.S. Income Tax Return for 2015, to satisfy this requirement you are encouraged to use the IRS Data Retrieval process to electronically import your tax information into your FAFSA record. This can be done at www.fafsa.ed.gov. If you cannot use this option, you must provide the institution with an **IRS Tax Return Transcript** available either online at www.irs.gov or by calling 1-800-908-9946.

If you (and/or your parents) did not file, **and are/were not required to file**, a U.S. Income Tax Return for 2015, you must list the source and amount of income earned during 2015 below **and provide copies** of W-2s forms to the financial aid administrator at the institution.

IF YOU OR YOUR PARENT DID NOT WORK IN 2015 AND HAD NO EARNED INCOME IN THAT YEAR, ENTER "NA" (NOT APPLICABLE) IN THE EMPLOYER COLUMN AND ENTER "\$0" OR "ZERO" IN THE APPLICABLE AMOUNT EARNED COLUMN.

<i>Employer's Name</i>	<i>2015 Amount Earned by Student</i>	<i>2015 Amount Earned by Parent</i>	<i>You must include your IRS W2 or 1099. Explain here if it is not provided.</i>

SECTION 2 FAMILY SIZE VERIFICATION
List below the people in your family that will receive more than half of their support from your parents from 7/1/17 through 6/30/18. Also provide the name of any college/university/vocational school that a person in your family will attend on at least a half time basis during 7/1/17 – 6/30/18. The first line should represent the student for whom this form is being completed, and whose signature will appear in the Certification on page 2.

<i>Full Name</i>	<i>Age</i>	<i>Relationship</i>	<i>College at Which Enrolled at Least Half Time</i>
<i>SELF / STUDENT</i>			

**Your verification documentation is not yet complete.
Please continue to Page 2 of this worksheet to complete verification of additional information.**

2017-2018 Verification Worksheet (Independent Student) Verification Tracking Group V5 (Page 1 of 2)

Your 2017-2018 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. Federal regulations require that before awarding federal student aid, we ask you to confirm the information you reported on your FAFSA to verify that you provided correct information. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school.

- | | | Yes | No |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| SECTION 1 INCOME VERIFICATION | | | |
| 1a. | Did you file, or are/were you required to file a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b. | If married, did your spouse file, or was your spouse required to file, a U.S. Income Tax Return for 2015? | <input type="checkbox"/> | <input type="checkbox"/> |

If you (and/or your spouse) filed, **or are/were required to file**, a U.S. Income Tax Return for 2015, to satisfy this requirement you are encouraged to use the IRS Data Retrieval process to electronically import your tax information into your FAFSA record. This can be done at www.fafsa.ed.gov. If you cannot use this option, you must provide the institution with an **IRS Tax Return Transcript** available either online at www.irs.gov or by calling 1-800-908-9946.

If you (and/or your spouse) did not file, **and are/were not required to file**, a U.S. Income Tax Return for 2015, you must list the source and amount of income earned during 2015 below **and provide copies** of W-2s forms to the financial aid administrator at the institution.

IF YOU OR YOUR SPOUSE DID NOT WORK IN 2015 AND HAD NO EARNED INCOME IN THAT YEAR, ENTER "NA" (NOT APPLICABLE) IN THE EMPLOYER COLUMN AND ENTER "\$0" OR "ZERO" IN THE APPLICABLE AMOUNT EARNED COLUMN.

<i>Employer's Name</i>	<i>2015 Amount Earned by Student</i>	<i>2015 Amount Earned by Spouse</i>	<i>You must include your IRS W2 or 1099. Explain here if it is not provided.</i>

SECTION 2 FAMILY SIZE VERIFICATION
List below, the people in your family that will receive more than half of their support from you (and/or your spouse) from 7/1/17 through 6/30/18. Include yourself (and your spouse, if married). Also provide the name of any college/university/vocational school that a person in your family will attend on at least a half time basis during 7/1/17 – 6/30/18. . The first line should represent the student for whom this form is being completed, and whose signature will appear in the Certification on page 2.

<i>Full Name</i>	<i>Age</i>	<i>Relationship</i>	<i>College at Which Enrolled at Least Half Time</i>
<i>SELF / STUDENT</i>			

**Your verification documentation is not yet complete.
Please continue to Page 2 of this worksheet to complete verification of additional information.**

Your 2017–2018 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. Federal regulations require that before awarding federal student aid, we ask you to confirm the information you reported on your FAFSA to verify that you provided correct information. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school.

VERIFICATION OF STUDENT’S HIGH SCHOOL COMPLETION

You must provide one of the following documents as evidence of your high school completion status:

- A copy of your high school diploma.
- A copy of your final official high school transcript that shows the date when the diploma was awarded.
- A state certificate or transcript indicating that the student passed a State authorized examination (GED, HiSET, TASC, or other approved State authorized exam) that the State recognizes as the equivalent of a high school diploma.
- An academic transcript indicating that you have successfully completed at least a two-year program that is acceptable for full credit toward a bachelor’s degree.
- If State law requires a homeschooled student to obtain a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent), a copy of that credential.
- If State law does not require a homeschooled student to obtain a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent), a transcript or the equivalent, signed by the student’s parent or guardian, that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.

Completion of High School Abroad

If you completed secondary education in a foreign country and you are unable to obtain a copy of your high school diploma or transcript, you may document your high school completion status by obtaining a copy of a “secondary school leaving certificate” (or similar document) through the appropriate central government agency (e.g., a Ministry of Education) of the country where you completed secondary school. To be eligible for federal aid your foreign high school credential must be at least equivalent to that of secondary education in the U.S.

VERIFICATION OF IDENTITY AND CERTIFICATION OF EDUCATIONAL PURPOSE

You must appear in person at the institution to verify your identity by presenting valid, government-issued photo identification (ID), such as, but not limited to, a driver’s license, other state-issued ID, or passport. The institution will maintain a copy of the student’s photo ID that is annotated with the date it was received and the name of the official at the institution authorized to collect the student’s ID.

(If you are unable to appear in person, this document must be notarized)

In addition, you must sign, in the presence of the institutional official, the following Statement of Educational Purpose:

I certify that I _____ am the individual signing this Statement of Educational Purpose and that the
Print Student’s Name

Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending

_____ for 2017-2018.

Name of Postsecondary Educational Institution

	/	/		/	/
Student’s Signature and ID Number			School Official Witness Signature		Date

CERTIFICATION & SIGNATURE

Each person signing below certifies that all of the information reported on this worksheet is complete and correct.

	/	/	
Student’s Signature			Date
Spouse’s Signature (Optional)			Date

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, sent to prison, or both.

Appendix G

Return of Unearned Title IV Funds (R2T4) Policy

&

Calculation Form

Return of Unearned Title IV Funds

Schools are obligated to publish its policies related to students who fail to complete their periods of enrollment. Your publications should state the tuition refund policies used by the school, i.e., state policies or accrediting agency policies as well as the federally mandated Return of Unearned Title IV Funds policy. Your tuition refund policy per your enrollment agreement is the only policy you will be required to follow to calculate tuition refunds. However, for Title IV recipients, a calculation of how much federal aid was earned by the student must be done before a standard tuition refund calculation is performed. The unearned federal aid funds must be returned, and the earned funds would be used as credits to the student account in the tuition refund calculation. In many cases, this process will result in the student having a remaining balance due and increased receivables for the school. Collectability of these receivables may be questionable.

On the attached pages, please find some suggested language regarding a written policy regarding the return of unearned funds, or R2T4 requirement.

Return of Unearned Title IV Funds aka “R2T4” (Sample Policy)

Federal regulations stipulate that students may forfeit a portion of their federal student financial assistance if they fail to complete the program of study in which they were enrolled. This policy affects students who:

- a) received or were eligible to receive federal student financial assistance authorized under Title IV of the Higher Education Act (HEA), i.e., Federal Pell Grants, Federal SEOG awards, or Federal Direct Student Loan (FDSL) program funds,

and
- b) who withdrew or were terminated from the institution during the first 60% of any payment period or period of enrollment.

Students will be considered to have withdrawn from their program of study on the date of their official notification to the school of their intent to withdraw, or for unofficial withdrawals, after 14 consecutive calendar days of absence unless the student is on an approved leave of absence as otherwise stated in the institution’s policies. Eligible Title IV federal aid recipients whose last recorded date of attendance, per the institution’s attendance records, is within the first 60% of a payment period or period of enrollment are considered to have earned federal aid only in an amount equal to the percentage of time that the student was enrolled during the payment period or period of enrollment. Accordingly, a required calculation will be performed to determine if federal aid that has not been earned by the student has been disbursed, in which case the unearned portion must be returned to the U.S. Department of Education, or if federal aid that has been earned by the student has not yet been disbursed, in which case the student may be entitled to a post-withdrawal disbursement of earned federal aid. This calculation will be done before a tuition refund calculation is performed in accordance with the institution’s refund policy and will result in a determination of the amount of unearned aid that must be returned to the USDE by the institution, as well as the amount to be returned by the student. The institution will notify the student upon completion of this calculation if the student has any responsibilities to repay any federal funds beyond the scope of the student’s existing student loan repayment obligations. In many cases, any return of unearned Title IV funds will result in adverse financial consequences including the student owing tuition and fees to the institution that would otherwise have been paid with federal student aid. Unearned Title IV, HEA funds that must be returned to the U.S. Department of Education will be returned first to Unsubsidized Direct Loans, followed by Subsidized Direct Loans, Direct PLUS Loans, Federal Pell Grant awards and lastly, to any Federal SEOG awards. Unearned funds to be returned to the U.S. Department of Education by the institution, and any unearned grant funds owed by the student, must be repaid within 45 days of the date the institution determined that a student has withdrawn. Unearned, Title IV funds owed by the student to a federal loan program must be repaid in accordance with the repayment terms of the student’s loan.

In the event a student has earned federal aid in excess of the amount disbursed at the time of withdrawal, and is eligible to receive those funds, the school will process a post-withdrawal disbursement of such earned funds to the student in accordance with federal regulations and allowances.

Example of Return of Unearned Funds Calculation

Clock Hour Institutions

Payment Period Length	450 Clock Hours
Title IV Federal Aid Awarded for Payment Period	\$6,000.00
Student's Scheduled Hours of Attendance as of Withdrawal Date	150 Clock Hours

In this brief example \$6,000 of federal financial aid was awarded to a student for a 450 hour period of training. The student withdrew from school after only 150 scheduled hours of attendance (example: the student was scheduled to attend 30 hours per week and withdrew at the end of the 5th week of enrollment). Accordingly, this student was enrolled for 33.3% (150/450) of the 450 hour payment period. Since the student was enrolled for only 33.3% of the payment period, only 33.3% of the federal aid was earned by the student. The remaining 66.7% of the aid that has not been earned must be returned to the U.S. Department of Education. In this case \$4,000 (66.7%) of the original aid awarded must be returned and only the \$2,000 (33.3%) of earned federal aid may be applied to the student's educational costs. A similar calculation is performed for all federal aid recipients who withdraw from school during the first 60% of the period of time for which monies were awarded. Once a student has been enrolled for more than 60% of the payment period, all of the federal aid that has been awarded for that period is considered to be fully earned.

Credit Hour Institutions

Payment Period Length	15-Week Semester (105 days)
Title IV Federal Aid Awarded for Payment Period	\$6,000.00
Number of Days Enrolled as of Withdrawal Date	35 Calendar Days

In this brief example \$6,000 of federal financial aid was awarded to a student for a standard 15-week semester of training. The student withdrew from school at the end of the 5th week of the semester (35 days). Accordingly, this student was enrolled for 33.3% (35/105) of the 15-week semester. Since the student was enrolled for only 33.3% of the payment period, only 33.3% of the federal aid was earned by the student. The remaining 66.7% of the aid that has not been earned must be returned to the U.S. Department of Education. In this case \$4,000 (66.7%) of the original aid awarded must be returned and only the \$2,000 (33.3%) of earned federal aid may be applied to the student's educational costs. A similar calculation is performed for all federal aid recipients who withdraw from school during the first 60% of the period of time for which monies were awarded. Once a student has been enrolled for more than 60% of the payment period, all of the federal aid that has been awarded for that period is considered to be fully earned.

Your school's policies and procedures must include a policy regarding the Return of Unearned Funds along with an example of the policy. Feel free to use the above language in your publications. Choose which example fits your school's academic measurement, either clock hour or credit hour (semester/trimester/quarter).

Return of Unearned Title IV Funds Calculation Form

Student Name _____

Withdrawal Date
(LDA) _____/_____/_____

Date Institution Determined
Student Withdrew (DoD)
(Refund due within 45 days) _____/_____/_____

Date This Form
Was Completed
(Must be within 30 days of DoD) _____/_____/_____

Step 1 Eligible Title IV Payments for Payment Period or Period of Enrollment

	Eligible Disbursed Amount	Eligible Undisbursed Amount		Eligible Disbursed Amount	Eligible Undisbursed Amount
1. FDSL Unsubsidized Stafford	\$ _____	\$ _____	5. Federal Pell Grant	\$ _____	\$ _____
2. FDSL Subsidized Stafford	\$ _____	\$ _____	6. ACG / SMART Grant	\$ _____	\$ _____
3. Federal Perkins Loan	\$ _____	\$ _____	7. Federal SEOG	\$ _____	\$ _____
4. FDSL PLUS Loan	\$ _____	\$ _____	8. TEACH Grant	\$ _____	\$ _____
I. Total Eligible Title IV Aid Disbursed: \$ _____		II. Total Eligible Title IV Aid Undisbursed: \$ _____			

Step 2 Determination of Percentages Earned & Unearned

Institutions That Take Attendance

Lines A & B intentionally omitted

C. Scheduled clock hours / calendar days elapsed as of withdrawal date:* _____

D. Total clock hours / calendar days in payment period or period of enrollment: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)
Round to the Nearest Tenth of a Percent

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid for the period has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

*For Line C:

- Clock Hour Schools Use Hours Scheduled to be Completed by Student Between 1st Date of Period and Last Date of Attendance not Including Excused Absences or Leaves of Absence
- Credit Hour Schools Use Calendar Days Between 1st Date of Period and Last Date of Attendance not Including Excused Absences, Leaves of Absence, or Scheduled Breaks of 5 or more days

Institutions That Do Not Take Attendance

A. Beginning date of payment period or period of enrollment: _____/_____/_____

B. Ending date of payment period or period of enrollment: _____/_____/_____

C. Number of calendar days elapsed as of withdrawal date:* _____

D. Number of calendar days in period: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid disbursed has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

Step 3 Determination of Title IV Funds Earned

H. Total Eligible Title IV Aid: \$ _____ **K. Title IV Aid Amount Earned:** \$ _____
(From Step 1, Line I+II) (Line H x Line J)
(Round to the nearest dollar)

J. Percentage of aid earned: _____%
(From Step 2, Line F)

Step 4 Determination of Title IV Funds to be Disbursed or Returned

L. Total Title IV Aid Earned by Student: \$ _____
(Step 3, Line K)

M. Total Title IV Aid Actually Disbursed: \$ _____
(Step 1, Line I)

N. Amount of Possible Post-Withdrawal Disbursement (if positive), or \$ _____
Amount of Unearned Aid to be Returned (if negative)

Confirm Eligibility Before Disbursing Any Additional Funds

Proceed to Step 5 Only if Step 4 Results in an Amount to be Returned

Step 5 Determination of Amount to be Returned by Institution

O. Institutional Charges for Payment Period (PP) or Period of Enrollment (PoE): \$ _____
(Must be the original charges assessed for the PP or PoE if tuition was charged separately by PP or PoE.
If tuition was charged for a longer period of enrollment, then use the greater of the prorated charges,
or the amount of Title IV aid for the period that was actually applied to institutional charges)

P. Percentage of period not earned: _____%
(Step 2, Line G)

Q. Institutional Charges Unearned: \$ _____
(Line O x Line P)

R. Amount to be Returned by Institution: \$ _____
(Lesser of Line Q or Line N)

R1. Amount to be Returned to Loan Programs: \$ _____
(Not to Exceed Total Loans Disbursed)

R2. Amount to be Returned to Grant Programs: \$ _____
(Line R - R1)

Step 6 Determination of Amount to be Returned by Student

S. Title IV Aid to be Returned: \$ _____
(Step 4, Line N)

T. Amount to be Returned by Institution: \$ _____
(Step 5, Line R)

U. Amount to be Returned by Student: \$ _____
(Line S - Line T)

U1. Amount to be Returned to Loan Programs: \$ _____ (To be repaid under loan terms)
(Not to Exceed Loans Disbursed - Line R1)

U2. Remaining Amount Owed by Student: \$ _____
[(Line U - Line U1)]

U3. Grant Protection (Step 1, Lines 5+6+7+8) x 50%: \$ _____

V. Grant Refund Owed by the Student: \$ _____
(Line U2 - Line U3. If Negative, Enter "0")

Appendix H

Sample FSA Credit Balance Authorization Form

Treatment of Federal Student Aid Credit Balances and Voluntary Authorization to Retain Funds

A federal student aid (FSA) credit balance exists when HEA, Title IV federal student financial assistance funds received on behalf of a student for a payment period exceed the amount of institutional charges assessed to the student by the institution for that period. The FSA funds involved include Federal Pell Grants, Federal Direct Stafford Student Loans, Federal Direct PLUS loans, and Federal Campus-Based Program funds.

FSA credit balances issued to a student may be used for costs of attending school other than tuition and fees as estimated in your Cost of Attendance budget, or a FSA credit balance may be retained by the institution with the student's authorization (or parent's authorization in the case of a PLUS loan) and these funds could be applied to cover other educational charges owed by the student. These other charges may include but are not limited to, charges for tuition, fees, textbooks, supplies, uniforms, or materials purchased by the student, or any other educationally related charge incurred by the student.

Requesting that the institution retain your credit balance can assist you with more efficient budgeting of your educational expenses, and can result in students being able to complete their education without incurring unnecessary additional student loan debt.. If you do not wish to have the institution temporarily retain your credit balance, then any FSA credit balance will be returned to you within 14 days of the date the credit balance occurred. The student will be responsible to personally pay for any other educationally related charges incurred if the FSA credit balance is returned to the student and the student incurs other charges.

This authorization will remain in effect for each subsequent FSA payment period unless you withdraw it. If at the end of each academic year, or at the end of the program of study if earlier, it is determined that a FSA credit balance will not be applied to other educational charges, the FSA credit balance will be returned to the student within 14 days of the end of the academic year or program. Signing this authorization is optional and voluntary. You may cancel this authorization at any time, or refuse to authorize the use of FSA funds for any individual item. Cancellation can be done by notice to the financial aid office. Cancellation is effective upon receipt of your notice of cancellation and is not retroactive. The student, and/or parent, will not earn interest on any credit balance funds held by the institution on behalf of the student or parent.

Estimated Credit Balance Amount \$ _____

Authorization

Each person signing below acknowledges that he/she has read the terms and conditions contained herein, and voluntarily requests that the institution retains and manages his/her FSA credit balance as described above.

(Student's Signature)

(Date)

(Parent's Signature)
For PLUS loans only

(Date)

Appendix I

Sample Leave of Absence Policy

Leave of Absence Policy

In the event a student finds it necessary to be absent from school for an extended period of time, he/she may request an official leave of absence from the institution. Except in unusual cases involving unforeseen circumstances, a student's request for a leave of absence must be made in advance. Students may request official leaves of absence subject to the following U.S. Department of Education limitations:

- No more than 180 combined days of leaves of absence are permitted in a twelve month period.
- The twelve month period referenced in these provisions starts on the first day of the first leave.

A student's request for a leave of absence must be submitted in writing, must state the reason for which the leave of absence is being requested, and must be approved by the institution to be considered an official leave of absence. The institution will only approve leaves of absence in cases where there is a reasonable expectation that the student will return to the program as scheduled. Students will not incur additional charges from the institution for any absences during an official leave of absence period. Students who fail to return to school as scheduled from an official leave of absence will be considered to have withdrawn from the institution as of the date the student was expected to return to school. The student's withdrawal date for refund calculation purposes will be the last date of attendance at the institution. If a student fails to return from an approved leave of absence, a portion or all of the student's grace period associated with any federal student loans may be forfeited resulting in the obligation to immediately begin loan repayment.

Appendix J

Sample Satisfactory Academic Progress Policy

General SAP Policy Provisions

A compliant SAP policy must,

- Have the same or more stringent standards for financial aid recipients than for cash pay students. Most schools use one policy for all students.
- State when students will be evaluated. SAP must be evaluated at the end of each payment period for programs of study equal to or less than one academic year, or at least annually (coinciding with the end of a payment period) for programs greater than one academic year in length.
- Specify the minimal GPA or grade percentage that students must achieve to be considered to be making satisfactory progress. Programs longer than two academic years in length must require a 2.0 GPA or its equivalent at the completion of the second academic year.
- Specify the pace at which a student must be attending to be considered to be making satisfactory progress. The required pace must provide for completion of the program within 150% of the normal time frame.

Pace is defined as a percentage of the number of cumulative number of hours completed by the student divided by the cumulative number of hours attempted/scheduled.

Clock Hour School Example: 450 completed hours / 650 scheduled hours = 69.2% (Minimally acceptable pace to complete the program within 150% of the normal time frame is 66.7%)

Credit Hour School Example: 15 completed hours / 22 attempted hours = 68.2% (Minimally acceptable pace to complete the program within 150% of the normal time frame is 66.7%)

- Specify what effect course incompletes, withdrawals, or repetitions have on the determination of the student's pace of completion.
- Specify that transferred credit hours are treated as both completed and attempted hours in the determination of the student's pace of completion
- Specify that students remain eligible for federal aid only if they are making satisfactory progress, are on financial aid warning, or are on probation as a result of a successful written appeal to a determination of unsatisfactory progress.

- Only if the institution evaluates progress by **payment period**, specify the status of “Financial Aid Warning”. This status can be granted without appeal and will allow the student to remain eligible for aid for the subsequent payment period. A student may not be granted consecutive warning statuses. Similar to old probation guidelines.
- If the institution permits student appeals of satisfactory progress determinations, state under what conditions a student could file an appeal (family death, illness, or other extenuating circumstance) and what the student must do to file the written appeal.

To be awarded probationary status, a student must appeal a determination of unsatisfactory progress. The appeal must include an explanation of the circumstances that caused the student’s unsatisfactory progress, as well as what has changed in the student’s situation that would result in the improvement of progress. The institution must then consider the appeal and either grant “probation” not to exceed one payment period, or deny the student’s appeal and terminate federal aid. The institution must provide notice to the student concerning the result of the student’s appeal.

- Specify how a student could otherwise regain eligibility for federal aid.
- Specify the maximum time frame (MTF) for completion. Credit hour schools must specify MTF as no more than 150% of the published length of a program as measured in credit hours. Clock hour schools must specify MTF expressed as both 150% of the published program length in hours as well as in calendar time.
- Be sure that your Maximum Time Frame (MTF) percentage is consistent with your pace of completion percentage standard. For example, if your SAP policy requires that students successfully complete at least 67% of the hours scheduled/attempted, then the corresponding MTF would be 150% of the normal program length. However, if your pace of completion standard requires that students successfully complete 80% of the hours scheduled/attempted, the resulting MTF would only be 125% of the normal program length. Confirm the accuracy of your MTF percentage with the following formula:

100 / Your Pace of Completion Percentage Requirement

Example: An institution with an attendance percentage requirement of 75% would have a program MTF of approximately 133% ($100 / 0.75 = 133.33$)

Ensuring compliance with Satisfactory Progress

On the following pages you will find a sample Satisfactory Academic Progress (SAP) Policy for a program offered in clock hours. This policy provides for SAP evaluations at the point when students have completed each payment period based on actual hours of attendance. This suggested policy also provides for a monthly review of student progress which can be effective in identifying at risk students in their early stages of declining progress. Using an informal monthly review process can help prevent students from losing federal aid eligibility when the student actually arrives at a formal SAP evaluation point.

This sample policy uses federally required minimum standards of 67% attendance and a 2.0, or “C” average academic standard. If your attendance or academic/grade standards are different than these federal minimums, simply replace the percentages in this sample policy with your requirements when you are publishing your official SAP policy. The standards of your SAP policy must be designed so that students will meet your program’s maximum time frame (MTF) as published in your policy.

Your required attendance percentage must also be consistent with your maximum time frame. For example, the maximum time frame for program completion based on federal guidelines is 150% of the normal time for program completion. Mathematically, a MTF of 150% is consistent with a pace of completion/attendance standard of approximately 67% ($100 / 0.67$). If your attendance standard is greater than 67%, you must adjust your MTF to be consistent with that attendance standard. A school that requires a minimum attendance pace of 80% would have a MTF of only 125% of the normal program length ($100 / 0.80$).

Also, although this sample policy complies with the provisions of USDE regulations regarding the measurement of student progress, be certain that your policy meets any additional published requirements of your state and your accrediting agency.

Satisfactory Academic Progress (SAP) Sample Policy

Students are required to maintain satisfactory academic progress throughout their training to be in compliance with institutional policy and to remain eligible for Title IV, HEA federal student financial assistance. Satisfactory academic progress is measured in both quantitative terms (attendance), as well as qualitative terms (academics/grades). Students must meet the school's attendance standard and the academic standard on a cumulative basis (start date to evaluation date) to maintain eligibility for federal student financial assistance funds unless the student is on "Financial Aid Warning" or "Probation" as defined in this policy. In the event that an evaluation results in the determination that a student is not meeting the institution's attendance and academic standards, or that the student is not in compliance with the terms of an academic plan developed in accordance with this policy, the institution will notify the student of that determination.

Attendance Standard (Pace of Completion)

Students must successfully complete at least 67% of the hours they are scheduled to attend based on the student's enrollment agreement. Compliance with this standard shall ensure that the student is progressing toward completion of the program within the published maximum time frame. A student's pace of program completion is determined by the following formula using cumulative numbers of clock hours:

$$\frac{\text{Number of clock hours successfully completed as of the date the payment period ended}}{\text{Number of clock hours scheduled to be completed as of the date the payment period ended}}$$

For example, a student who is enrolled for 30 clock hours per week for 20 weeks would have a cumulative scheduled attendance of 600 clock hours. If the student successfully completed 450 of the 600 scheduled hours, his/her attendance pace would be 75.0% (450/600) and would be meeting the attendance requirement of this policy.

Academic Standard

Theory, practical, and lab/clinic exams and procedures that are graded will be based on the following scale:

Grading System		
95% - 100%	A	Excellent
85% - 94%	B	Above Average
75% - 84%	C	Satisfactory
Below 75%	D	Unsatisfactory/Fail

Students must maintain an academic average of at least 75% (C) or higher on a cumulative basis as of the date the payment period ended to meet the academic standards of this policy and be considered as making satisfactory academic progress.

Review and Evaluation Periods

Student progress will be reviewed by the institution on a monthly basis to identify students who may be at risk regarding satisfactory academic progress. At risk students will be counseled and will be advised regarding efforts to improve progress. Formal satisfactory academic progress evaluations, which determine continuing eligibility for federal student aid, will be calculated as of the date that the student completes each financial aid payment period. Completion of a payment period is considered to have occurred when the student has completed both the number of clock hours in the payment period, as well as the number of instructional weeks in the payment period. Students who meet the attendance and academic standards described herein will be considered to be making satisfactory academic progress until the next scheduled evaluation.

Financial Aid Warning

Students who fail to meet either of the two progress standards as determined by a SAP evaluation will be placed on Financial Aid Warning (FAW) status, and the student will remain eligible for federal student aid funds for the subsequent payment period. A student may not be placed on FAW for consecutive payment periods. At the end of the FAW period, the student must be meeting the published attendance and academic standards on a cumulative basis to be considered as making satisfactory academic progress and to remain eligible for further federal student financial aid.

Probation

Any student who fails to meet the published attendance and academic standards as a result of a SAP evaluation, and who is not eligible to be placed on Financial Aid Warning, is considered as not making satisfactory academic progress and is ineligible for federal student aid for the following payment period. A student may reestablish his or her federal aid eligibility by submitting a written appeal in accordance with this policy and, if approved by the institution, by being granted "Probation" by the institution. In the event the student submits a successful appeal and is granted probation, federal student aid eligibility will be reinstated for that payment period. Students who are granted probation as a result of a written appeal and institutional approval, must meet the institution's published attendance and academic standards on a cumulative basis at the next SAP evaluation, or must be in compliance with the terms of an academic plan established by the institution, in order to maintain eligibility for Title IV, HEA federal student assistance funds.

Appeals

Students who have been designated as not making satisfactory academic progress may appeal this determination with the institution based on mitigating circumstances. Mitigating circumstances may include the death of a relative, injury or illness of the student, or other special circumstances. The student's appeal must be made in writing to the academic dean or school director and must be received within 15 days of date that the institution notified the student of his or her loss of federal aid eligibility. The student's appeal must include documentation regarding the unusual or mitigating circumstances that caused the student to fail to meet the institution's standards as well provide information regarding what conditions have changed that would demonstrate that the student could re-establish satisfactory academic progress in the future. The institution will review the student's appeal and related documentation and its resulting decision will be final.

Reinstatements

Generally, most students who enroll in the school are considered to be making satisfactory academic progress during their initial payment period. Students who are returning to school after a temporary interruption are reinstated under the same SAP status as they had when their prior period of enrollment ended. Attendance and academic progress will be measured on a cumulative basis from the beginning of the period of enrollment through the date that each payment period has ended. See the section of this policy about “Course Repetitions” for further information.

Course Incompletes, Repetitions, and Non-Credit Remedial Courses

The institution does not offer grades of “incomplete” and accordingly, these have no impact on SAP. If a student withdraws from a program of study and re-enrolls in the same program within 180 days of withdrawal, the student is treated as returning to the same payment period that was in place when the student withdrew and must complete any clock hours for which the student previously received federal funding before being eligible for additional funding. A student who returns to a program after more than 180 days have elapsed since withdrawal may be eligible for federal aid for any classes the student must repeat to obtain academic credit. Students should meet with a financial aid advisor to discuss the conditions under which federal aid may be awarded for repeated courses. The institution does not provide non-credit remedial courses.

Reinstatement of Federal Financial Aid

Students who have lost eligibility for federal student aid may reestablish their eligibility for aid in accordance with the appeal provisions contained in this policy. Students seeking reinstatement of federal aid must also meet with the academic dean or school director. An academic plan may be developed by the institution and may include specific performance requirements that the student must successfully complete to maintain eligibility for federal student aid.

Maximum Time Frame

The normal time frames and maximum time frames required for program completion are listed below. Students who maintain satisfactory academic progress in attendance will complete the program during the allowable maximum time frame.

	Normal Time Frame	Maximum Time Frame
Program 1 (Full Time)	50 Weeks – 1500 Hours	75 Weeks - 2250 Hours
Program 1 (Part Time)	100 Weeks – 1500 Hours	150 Weeks – 2250 Hours
Program 2 (Full Time)	30 Weeks – 900 Hours	45 Weeks - 1350 Hours
Program 2 (Part Time)	60 Weeks – 900 Hours	90 Weeks – 1350 Hours