



# Financial Aid Office

# Policies and Procedures Manual

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## **SECTION 1: MANUAL INTRODUCTION**

Federal regulations mandate that institutions have written policies and procedures. Beyond the federal requirement, there are many benefits to having a written document outlining financial aid office policies and procedures: 1) for distribution to appropriate others outside the Financial Aid Office (FAO) for the purpose of informing and fostering an understanding of the complexity and operation of the FAO; 2) for FAO staff as a referral guide to assist in maintaining consistency in the problem-solving process; and 3) as an important component of a comprehensive training program.

### **1.1 STATEMENT OF PURPOSE**

The purpose of this document is to record policies and procedures surrounding the delivery of financial aid at UMC. If no policy or procedure addresses a given issue, the FAO staff is expected to use professional judgment based upon the intent of all financial aid programs and Office practices.

This Manual:

- Provides the financial staff with current policies and procedures that pertains to eligibility assessment for federal, State and University programs.
- Provides each staff member with general and specific responsibilities of the total staff, their individual responsibilities, and the Office's relationship to other departments/divisions of the university.
- Provides each staff member with general office procedures in order that a systematic and consistent approach may be taken in the operation of all programs; ensuring that similar operations will be handled in a uniform manner.
- Provides quick reference to various practices.
- Facilitates the orientation and training of personnel when changes occur.

### **1.2 FINANCIAL AID REFERENCE DOCUMENTS**

There are many resource guides that assist the FAO staff. These citations are located on the Information for Financial Aid Professionals Website (IFAP), located at [www.ifap.ed.gov](http://www.ifap.ed.gov).

The documents, which are used to determine students eligibility for financial aid include current regulations published in the Federal Register, Department of Education guides (such as the Federal Student Financial Aid Handbook, Verification Guide, formula books, and Audit Guide), Dear Colleague letters, financial aid legislation and other laws or regulations that impact student aid.

### **1.3 PHILOSOPHY OF THE FINANCIAL AID OFFICE**

The FAO will help students to seek, to obtain, and to make the best use of all available resources to help them finance the costs of attending UMC. The FAO will provide students an awareness of finances during school and after graduation. We will provide quality customer services to the students, parents, financial institutions, and departments. The FAO will offer one-on-one counseling, orientation presentations, and workshops and seminars to foster debt management and enhance financial knowledge.

The FAO will follow internal, state, and federal guidelines to ensure equity, consistency, and regulatory compliance in the delivery of funds to students. We will maintain accurate records on all financial aid recipients processed in our office.

### **1.4 POLICY DEVELOPMENT**

#### **1.4.1 RESPONSIBILITY FOR INSTITUTIONAL POLICY DEVELOPMENT**

Stacey Mathews, Financial Aid Director, is responsible for establishing institutional policy development surrounding the delivery of financial assistance. Policy development adheres to federal and State laws and regulations as well as to the mission of the University. Financial Aid policy is reported to and approved by the Comptroller, when appropriate.

#### **1.4.2 RESPONSIBLE PERSONNEL**

The FAO is responsible for ensuring other are aware of any changes to existing policies and procedures or the development of new policies and procedures.

#### **1.4.3 DOCUMENTS AND METHODS**

Publications used to keep abreast of regulations are:

- Federal Registrar
- Student Financial aid Handbook
- Dear Colleague Letters
- Electronic Announcements in SAIG mailbox
- The Common Manual
- NASFAA Encyclopedia
- NASFAA newsletters

#### **1.4.4 OPERATING POLICIES**

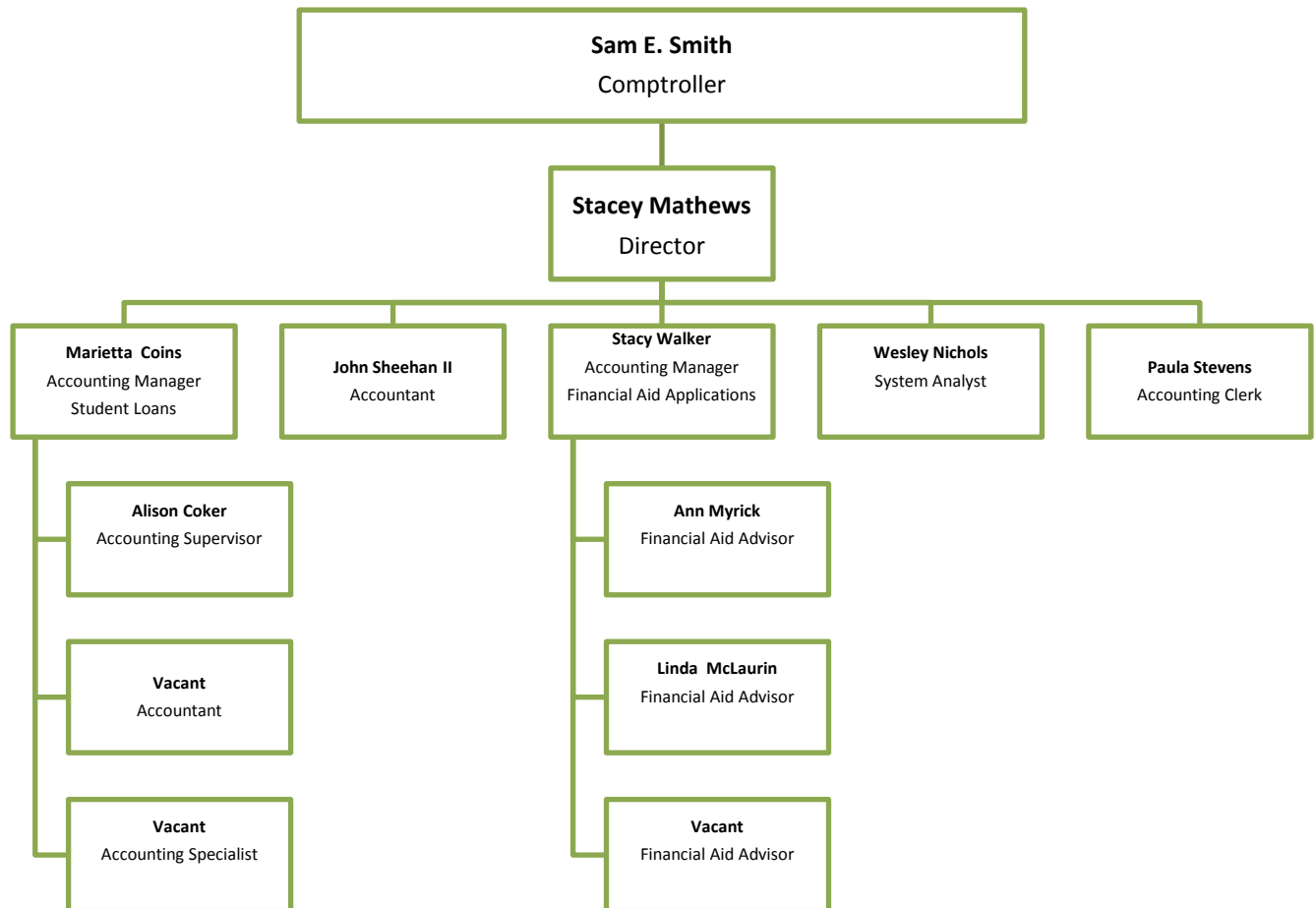
The following operating policies are designed to assure that the FAO is effective in carrying out its responsibilities:

- All students must apply for financial assistance by completing the Free Application for Federal Student Aid (FAFSA).
- All funds available to UMC for financial assistance shall be administered through the FAO. The selection of students to receive certain designated scholarships and awards shall be submitted by the responsible department to the FAO for processing. When funds, or awards for students are received from outside sources by other offices, that office will be required to notify the FAO.
- The FAO shall maintain adequate records to ensure proper administration of aid funds. This includes ensuring that aid given is not in excess of need and/or the cost of attendance and that aggregate awards do not exceed total expenditures of funds under each program.
- Selection of students to receive financial aid will be made without regard to age, sex, race, color, religion, sexual orientation, national origin, disability or marital status.

All students applying for aid are required to apply annually for federal assistance. Students are made aware of funding, for Mississippi residents, through the Mississippi Office of Student Financial Aid.

### **SECTION 2: ADMINISTRATIVE ORGANIZATION AND OFFICE MANAGEMENT**

#### **2.1 ORGANIZATIONAL CHART**



## 2.2 INSTITUTIONAL AND DIVISIONAL STRUCTURE

There exists a clear and separate division of responsibility for the administration of financial aid programs which are divided between the FAO, Student Loan Office and the Student Accounting and Cashier's Office. In order to maintain this division, each office is accountable for the following responsibilities.

### The Financial Aid Office

- The FAO is responsible for the following:
  - Collecting supporting documentation for the determination of aid eligibility
  - Determining student eligibility for financial assistance
  - Awarding federal, State, and Institutional aid in compliance with laws, regulations and policies
  - Notifying students of aid eligibility, and
  - Completing and compiling of various institutional, State and federal reports

### The Student Loans Office

The Student Loans office is responsible for the following:

- Administer all campus-based loan programs; federal, state, and institutional
- Administer all campus-based service scholarships and loan programs
- Process Electronic Funds Transfer to the student accounts
- Funds Management and Federal Reporting

### The Student Accounting and Cashier Office

The Student Accounting and Cashier office is responsible for the following:

- Maintain and disburse accurate bills
- Collect payments for student accounts
- Disburse funds to students
- Report outside scholarships received to the FAO

## **2.3 JOB DESCRIPTIONS: FINANCIAL AID OFFICE**

The job descriptions of each position listed on the FAO organizational chart are available from the UMC Human Resources Office.

## **2.4 GENERAL FINANCIAL AID OFFICE ADMINISTRATION**

### **2.4.1 OFFICE HOURS**

The FAO is open and available to service students from 8:00 a.m. to 4:30 p.m., Monday through Friday.

### **2.4.2 CORRESPONDENCE**

The accounting clerk date stamps and routes general administrative correspondence to the appropriate staff member. If an appropriate recipient is not identifiable, the correspondence should be given to the director for evaluation and delegation. Where appropriate, correspondence should be responded to within one week. If a staff member is responding to a specific complaint, it is typical procedure for the staff member to have the director overview the correspondence. This allows the director to be aware of potential problems. Emails should be responded to within 24 hours.

### **2.4.3 TELEPHONE**

Telephone calls are answered in a friendly and professional manner (i.e. Financial Aid Office, this is "Susie". May I help you?). Typically, the accounting clerk answers incoming calls and then routes to an advisor. If neither Advisor is available, the call is routed to the Director. Every attempt is made to return calls the same business day, and no later than the next business day.

### **2.4.4 DISTRIBUTION OF FORMS**

General financial aid forms are distributed in the office and available on the Financial Aid Website:

<http://financialaid.umc.edu/forms.html>

Financial Aid brochures and various other forms may be emailed and/or distributed during financial aid workshops.

### **2.4.5 STAFF MEETINGS**

Staff meetings are held weekly, but are typically not held during peak operating schedules (i.e., registration). Additional meetings may be called at the discretion of the Financial Aid Director.

#### **2.4.6 PERSONNEL POLICIES**

The personnel policies of staff members are outlined in the UMC Employee Handbook. <http://hr.umc.edu/handbook.html>

#### **2.4.7 PERFORMANCE EVALUATIONS**

Performance evaluations are conducted on an annual basis. The evaluation form provided by Human Resources is used for FAO employees. The Director must complete the forms.

#### **2.4.7 ABSENCE APPROVALS - STAFF**

All requests for absences must be submitted in writing to the director. Upon approval, the forms are forwarded to the assistant comptroller.

#### **2.4.8 APPOINTMENTS WITH STAFF**

Students and parents are not required to make appointments but it is advised they make an appointment to ensure the individual they wish to see will be available.

#### **2.4.9 ACCOMMODATIONS FOR DISABILITIES**

The University complies with the Americans with Disabilities Act. To this end, the University prohibits discrimination in the employment processes based on an applicant's or employee's disability. The University shall provide reasonable accommodation to disabled applicants or employees unless to do so would cause an undue hardship. Please refer to the Human Resources Employee Handbook for specific guidance.

### **2.5 RECORDS MANAGEMENT AND RETENTION**

#### **2.5.1 CONFIDENTIALITY OF RECORDS**

All records and conversations between aid applicants and/or his/her family and FAO staff are confidential and entitled to the protection ordinarily given a counseling relationship. UMC assures the confidentiality of student educational records in accordance with UMC rules, state, and federal laws including the Family Educational Rights and Privacy Act of 1974 (FERPA). The primary intent of FERPA is to provide students access to their educational records and to limit dissemination of personally identifiable information without the student's written consent. As a rule, all currently enrolled and former students have the right to review their records to determine their content and accuracy. Parents of dependent students, as defined by the internal Revenue Code, who give evidence of this status, have the same rights. A student who wishes to obtain access to his/her financial aid record is able to do so in the presence of a FAO employee.

Staff members are allowed to discuss information contained in files only with those university officials who have been deemed to have a need-to-know. All files are maintained in designated file cabinets within specific rooms of the office. All requests for information from external agencies must be accompanied by a signed Release of Confidential Information waiver from students or parents authorizing the release of such information.

Types of information released by telephone:

Only financial aid information is released to students/parents and authorized University personnel. Before releasing information over the telephone, students must provide student's ID number and account password. The student submits the account password in writing to the FAO, which is noted in ProSam.

### **2.5.1.1 PUBLIC INFORMATION**

The following information, considered “directory information” may be disclosed to the public by any UMC employee unless; the student has specifically requested in writing that this information be withheld:

- Name
- Local address
- Local telephone number
- Birth date and place of birth
- Major
- Year in school
- Enrollment status
- Dates of enrollment
- Degrees and awards received
- Most recent attendance of previous educational institution
- Anticipated graduation date

### **2.5.1.2 NONPUBLIC INFORMATION**

A student’s consent is required for the disclosure or publication of any non-directory information with the following exceptions:

- Another university employee
- Representatives of federal and State agencies
- Accrediting organizations

A student must state his/her pin number or submit a written release of information for any additional information to be released to any other person or agency. The student’s release must contain:

- Date of request
- Student’s social security number
- Student’s signature
- Specific contact name or agency
- Summary of information which may be released

### **2.5.2 ACTIVE RECORDS**

The FAO maintains a master record for each student receiving financial assistance. All financial aid folders are retained for three years after submission of the FISAP report. Any records involved in any claim or expenditure, which has been questioned by federal audit, are retained until the question is resolved.

### **2.5.3 INACTIVE RECORDS**

Inactive records are kept in the FAO for one year following the close of the fiscal year in which they were active. At the end of one year, the folders are moved to state storage. The folders are kept at state storage for a period of five years. After the appropriate time period, records are shredded.

### **2.5.4 RECORDS ON COMPUTER DISCS**

See Division of Information Systems Policy

### **2.6 CALENDAR OF FINANCIAL AID ACTIVITIES**

Each year, academic calendars are published that provide the specific dates for all university activities. The FAO specific calendar is located at [http://financialaid.umc.edu/student\\_financial\\_aid/FACalendar.html](http://financialaid.umc.edu/student_financial_aid/FACalendar.html)

### **SECTION 3: STUDENT CONSUMER INFORMATION**

The staff in the FAO recognizes that in order to understand the complications of Financial Aid, accurate and timely dissemination of information to consumers is vital. Several policies have been implemented to ensure appropriate dissemination is achieved.

#### **3.1 FINANCIAL AID PROGRAM AVAILABILITY**

Financial aid programs which are available to students attending UMC are listed on the FAO website, as well as the UMC Bulletin.

Financial aid funds may be categorized into four basic sources: federal, state, institutional and private. Because there are too many outside private sources to list in this manual, only federal, state and institutional sources for UMC are listed below:

##### **Federal**

- Federal Parental Loan for Undergraduate Students
- Federal Pell Grant
- Federal Perkins Loan
- Federal Subsidized Stafford Loan
- Federal Supplemental Educational Opportunity Program
- Federal Unsubsidized Stafford Loan
- Federal Work-Study Program
- Nurse Faculty Loan Program
- Health Professions Student Loan Programs (Dentistry and Nursing)
- Loans for Disadvantaged Students (Medical and Dentistry)
- Scholarship for Disadvantaged Students

##### **State**

- Mississippi Resident Tuition Assistant Grant (MTAG)
- Mississippi Eminent Scholars Grant (MESG)
- Higher Education Legislative Plan for Needy Students (HELP)
- Leveraging Educational Assistance Partnership (LEAP)
- Nursing Education Loan/Scholarship Program
- State Dental Education Loan/Scholarship Program
- State Medical Education Loan/Scholarship Program

##### **Institutional**

- Various Loan and Scholarship Funds
- UMC Academic Scholarships – See University bulletin for scholarships for each program.

#### **3.2 PROCEDURES AND FORMS REQUIRED TO APPLY**

The procedures and forms required to apply for financial aid are published on the FAO website. In addition, notices announcing deadlines and application availability are distributed on posters throughout the University, are printed in the campus newsletter and emailed to returning students. Aid is awarded on a first-come, first-serve basis using a priority deadline. Students who complete their files after this priority date may receive limited funding and should not expect to receive an award letter until after the beginning of the academic year.

Additional documents may be requested to complete processing of the aid request. Notification of these additional required documents is sent to students through Additional Information Request Form. Additional information may include, but is not limited to, the following:

- Proof of citizenship
- Proof of selective service registration
- Marriage certificate
- Verification form (independent and dependent)
- Tax returns and W-2s (parent and student or spouse)
- Statement of non-tax filer (parent and student or spouse)
- Student Aid Report (SAR)
- Admission status
- Student certifications
- Employment verification
- Verification of marital status

### **3.3 METHODS OF DISSEMINATING CONSUMER INFORMATION**

The primary methods of disseminating consumer information to University students are through the UMC Bulletin and the FAO website.

### **3.4 STUDENT ELIGIBILITY REQUIREMENTS**

Student eligibility requirements are listed in the UMC Bulletin, FAO website, and on specific aid applications (i.e. loan applications for Stafford Loan and Scholarship applications describe eligibility requirements).

Basic student eligibility requirements

- Must be enrolled as a regular student in an eligible program
- Cannot also be enrolled in elementary or secondary school
- Must have a high school diploma or equivalent, passed an approved ability-to benefit test, been home-schooled, or passed 6 credits of college that can apply to a degree or certificate program at the institution
- Must make [satisfactory academic progress](#)
- Must meet enrollment status requirements
- Must have resolved any drug conviction issue
- Must not be currently incarcerated
- Must be confirmed as a U.S. citizen through the Social Security Administration (SSA) database, OR be approved as a U.S. permanent resident or other eligible non-citizen through a match with Department of Homeland Security records
- Cannot be in default on an Federal Student Aid (FSA) loan or owe an overpayment on an FSA grant (for a parent to receive a PLUS Loan, neither the parent nor the student may be in default or owe an overpayment on an FSA loan or grant, although a parent in default on a PLUS loan does not make a student ineligible for aid)
- Must have a valid Social Security Number with a name and date of birth that matches information in the SSA database
- Must be registered with Selective Service if required to do so by law

### **3.5 CRITERIA FOR SELECTING RECIPIENTS AND DETERMINING AWARD AMOUNTS**

Students are awarded aid based on the available funds from a specific aid program, eligibility and need. Additional information concerning criteria and selection is listed in section

### **3.6 AVAILABILITY OF FORMS AND INSTRUCTIONS**

Availability of forms and instructions is listed in the following documents:

- UMC Bulletin.
- FAO Website
- Published on posters distributed on campus and in the school newspaper.
- On specific aid applications (i.e. loan applications for Stafford Loan and scholarship applications describe eligibility requirements).

### **3.7 RIGHTS AND RESPONSIBILITIES OF STUDENTS ON FINANCIAL AID**

As a recipient of financial aid, there are certain rights and responsibilities of which students should be aware. These rights and responsibilities of students on financial aid are listed in the following documents:

- The FAO Website
- The Financial Aid Award Notification
- The Master Promissory Note

Students have the right to know the:

- Financial aid programs available at UMC;
- Application process which must be followed to be considered for aid;
- Criteria used to select recipients and calculate need;
- UMC refund and repayment policy;
- FAO policies surrounding satisfactory academic progress; and
- Special facilities and services available for the handicapped.

Students are responsible for:

- Completing all forms accurately and by the published deadlines;
- Submitting information requested by FAO staff in a timely manner;
- Keeping the FAO informed of any changes in address, name, marital status, financial situation, or any change in student status;
- Reporting to the FAO any additional assistance from University sources such as scholarships, loans, fellowships, and educational benefits;
- Notifying the FAO of a change in enrollment status;
- Maintaining satisfactory academic progress; and
- Re-applying for aid each year.

### **3.8 COST OF ATTENDANCE**

A description of the fees for attendance is published in the UMC Bulletin and the FAO website. An estimated budget for the total cost of attendance is published on the FAO website. A complete budget outlining the cost of attendance may be obtained from the FAO.

### **3.9 REFUND POLICY**

A brief description of the refund policy is described in the UMC catalog. A detailed description of the [refund policy](#) on the FAO website.

### **3.10 ACADEMIC PROGRAMS OFFERED**

A description of the academic programs offered at UMC is listed in the UMC Bulletin. Additional information may be obtained from individual departments.

### **3.11 PERSONS DESIGNATED TO PROVIDE FINANCIAL AID INFORMATION**

Only information published, provided, or referred by FAO staff is valid. Any additional information should be verified with staff from the FAO.

### **3.12 STUDENT RETENTION AND COMPLETION DATA**

Student retention and completion data is gathered by the Registrar's Office.

### **3.13 INFORMATION FOR STUDENTS WITH DISABILITIES**

Information concerning students with disabilities is listed in the UMC Bulletin.

### **3.14 INFORMATION ON ACCREDITATION**

Information concerning accreditation is listed in the UMC Bulletin. Additional information may be obtained from the Office of the Accreditation.

## **SECTION 4: STUDENT BUDGETS**

Student budgets are an important component in the financial aid process. Standard student budgets reflecting the UMC cost of attendance at a modest, but adequate, standard of living are used to award financial aid. Student budgets are reviewed annually and updated as needed. Separate budgets are used for each program offered at UMC reflecting the appropriate tuition and books required for each program. The financial aid director on a case-by-case basis approves special budget considerations.

### **4.1 BASIS FOR STUDENT BUDGETS**

The director collects information to prepare standard costs on an annual basis.

#### Tuition and Fees

Tuition and fees are based on the most current information available at the time budgets are prepared. A full-time enrollment is used unless the student indicated otherwise. Students who do not establish Mississippi residency are charged an additional out-of-state fee.

#### Books and Supplies

A survey of expenses within the different academic areas is used to collect costs for books and supplies.

#### Room and Board

Room and board expenses are on a survey of rent for one-bedroom apartments in the UMC area for graduate students and rent for a two-bedroom apartment for undergraduates, a survey completed by currently enrolled students, and the national College Board estimated cost.

#### Transportation

Transportation costs are for based on a reasonable monthly figure for transportation to and from school. Federal regulations prohibit including in student budgets the direct expenses of purchasing and maintaining an automobile.

#### Personal Expenses

Personal expenses include costs for clothing, toiletries, medical/dental, recreational, and other miscellaneous expenses.

#### Standard Student Budgets

See FAO Website – [Standard budgets](#)

#### Special Budget Considerations

Upon request, aid advisors may review, and if appropriate, adjust a student's budget. Students must submit supporting documentation.

Examples of change to standard budgets include are listed on the Procedures for Exercising Professional Judgment. The FAO provides this form to any student who requests a budget increase. Failure to follow this procedure and provide all documentation requested will result in denial of the increase request.

For students who are enrolled **less than half time**, only the costs for tuition and fees and allowances for books and supplies, and transportation (but not miscellaneous expenses) may be included as part of the cost of attendance. Exceptions may be made on a case by case basis to include limited room, board, and dependent care expenses for up to three semesters; no more than two of the semesters can be consecutive.

## **SECTION 5: SYSTEMS OPERATIONS**

The FAO uses ProSam to automate processing aid application as much as possible.

### **5.1 LOADING FINANCIAL AID DATA**

Federal eligibility information is received electronically from the Department of Education using EDConnect and Electronic Data Exchange (EDE). The data is stored on the UMC network and loaded into ProSam as the data arrives.

### **5.2 AUTOMATIC BUDGETS**

Each year in February/March the FAO creates a generic budget for all eligible programs. The System Analyst in the FAO loads the budgets in ProSam. When a student applies for financial aid, a process is run by the FAO which generates a budget for the student. That budget can then be amended to reflect actual tuition and fees costs.

### **5.3 AUTOMATIC PACKAGING**

The FAO uses ProSam packaging plans to automate the awarding of federal student aid. However, institutional scholarships and some loans are loaded manually.

### **5.4 AWARD LETTER PROCESSING**

Processes have been established in ProSam where an award letter can be automatically generated following the packaging and budget generation process. The award letter is generated to UMC web portal where the student can accept and sign awards electronically.

### **5.5 LOAN PROCESSING**

The Student Loan Office processes all federal campus-based and institutional loan programs. Federal Stafford loans are processed via the Department of Education software.

### **5.6 DEPARTMENT OF EDUCATION SOFTWARE INSTALLATION AND UPGRADES**

The FAO at UMC uses the Department of Education recommended software to import ISIRS. The software is EdConnect. Upgrades to the software are often necessary and a yearly installation of new software is also necessary. The System Analyst is responsible for software upgrade installations and programming in ProSam.

### **5.7 INSTITUTIONAL STUDENT INFORMATION RECORD (ISIR)**

The ISIR is the school's electronic version of the Student Aid Report which is generated only after a student completes a FAFSA. ISIRS are downloaded using EdConnect and loaded to ProSam. The electronic ISIR file is then used in packaging and awarding financial aid.

## **SECTION 6: VERIFICATION**

Verification is the process of confirming the accuracy of student reported data on financial aid applications. For any academic year, the office of student financial aid may select a portion of the student population or the entire student population for verification.

### **6.1 SELECTION OF APPLICATIONS TO BE VERIFIED**

The FAO verifies those applicants identified by the Department of Education (DOE). Typically, the DOE selection criteria translate into verifying thirty percent of the financial aid population at UMC. In addition, aid administrators may select a student for verification if there is a discrepancy or a condition that is unusual and warrants investigation.

#### **6.1.1 EXCLUSIONS**

Listed below are certain circumstances where students do not have to complete verification. Counselors must identify and document in the aid folder why the student is not required to complete verification.

- An applicant who died during the award year
- A resident of Guam, American Samoa, the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and the Trust Territory of the Pacific Islands (Palau).
- A student who is incarcerated
- Applicants whose parents do not live in the United States and cannot be contacted.
- A student immigrant (however, the student must meet the citizenship requirement).
- A dependent student whose parents cannot comply because of specified reasons (i.e., parents are deceased, are physically or mentally incapacitated, or the student does not know where the parents reside).
- A student who does not receive Title IV funds.

#### **6.1.2 CONFLICTING INFORMATION FOR NON-SELECTED APPLICANTS**

Aid Administrators are required to resolve any discrepancies discovered in a student's file. Because need analysis information is only collected from the DOE, and additional information is typically not requested from students who are not selected for verification, conflicting information is systematically rare.

### **6.2 VERIFICATION TIME FRAME**

Upon receipt of any documentation that a student intends to apply for financial aid, a tracking letter listing missing items is sent to the student when the student record is activated after receipt of a federal transmission. This letter informs the student of any additional information that is required to complete his/her financial aid file. If the FAO has received DOE information identifying the student as being selected for verification, the tracking item letter requests the appropriate verification documents (i.e. verification form, student and parent tax returns).

Students are notified that the majority of financial aid funds are awarded on a first-come, first-serve basis and that until the missing items are submitted to the FAO, additional processing of their file is not possible.

If a student submits documentation that appears fraudulent, the FAO staff member must notify the director of financial aid.

### **6.3 DOCUMENT COLLECTION PROCEDURES**

Required documentation items are identified and receipt date is maintained on an automated tracking system. When documents arrive, the accounting clerk time/date stamps the document and route to appropriate FAO staff member. When all required documents are received, the student is considered complete and ready to be packaged. The student's account is updated on the document tracking screen.

#### **6.3.1 DOCUMENTATION**

Documentation submitted to the FAO must be legible, appropriate, and have the student's social security number for identification purposes. If the student submits a document which is not legible (i.e. a copy of a tax return in which the income numbers are not identifiable), appropriate (a tax return is requested and the student submits a W-2), or identifiable (student submits a copy of the step-parents tax return and the last name does not match the student's and there is not student social security number) the documents will be returned and a request for additional documentation is requested. If possible, the return of documentation is recorded on the student's account on the document tracking screen.

#### **6.3.2 PROCESSING TIME PERIOD**

Students are notified that the majority of financial aid funds are awarded on a first-come, first-serve basis and that until the missing items are submitted to the FAO, additional processing of their file is not possible.

#### **6.3.3 FAILURE TO COMPLY**

Students who fail to submit verification documents never become complete; therefore, aid is not awarded for these students.

#### **6.3.4 SUBMISSION AFTER DEADLINE**

Students who submit verification documents very late after time they were requested will be awarded aid an availability basis. Typically, by the end of the summer, aid funds beyond federal loans and the Federal Pell Grant are depleted.

#### **6.3.5 NOTIFICATION OF VERIFICATION TO APPLICANTS**

Students are notified that they are selected for verification on the Student Aid Report (SAR). In addition, the tracking letter indicates to the student he/she has been selected for verification.

### **6.4 VERIFICATION OF DATA ELEMENTS**

UMC systematically verifies only those data elements required by the federal government. However, aid administrators are free to ask for additional information if further investigation is needed to resolve a discrepancy.

#### **6.4.1 ADJUSTED GROSS INCOME**

Adjusted gross income is verified by comparing a copy of the student, spouse, or parent income tax return or income certification statement to federal data. Discrepancies outside of tolerance levels must be corrected before further processing.

#### **6.4.2 U.S. INCOME TAX PAID**

U.S. Income Tax paid is verified by comparing a copy of the student, spouse, or parent income tax return or income certification statement to federal data. Discrepancies outside of tolerance levels must be corrected before further processing.

### **6.4.3 HOUSEHOLD SIZE**

Household size is verified by comparing the Verification Worksheet to federal data. Discrepancies must be corrected before further processing.

#### **6.4.3.1 EXCLUSIONS**

Although regulations allow situations when verification of household size is not required (see the DOE Verification Guide), the FAO does not have a systematic way to track these exclusions. Therefore, all students selected for verification must submit a response to the Household size question on the Verification Worksheet.

### **6.4.4 NUMBER IN POST-SECONDARY INSTITUTIONS**

Number of family members enrolled at least half-time in post-secondary institutions is verified by comparing the Verification Worksheet to federal data. Discrepancies must be corrected before further processing.

#### **6.4.4.1 EXCLUSIONS**

Although regulations allow situations when verification of number in college is not required (see the DOE Verification Guide), the FAO does not have a systematic way to track these exclusions. Therefore, all students selected for verification must submit a response to the Household size question on the Verification Worksheet.

### **6.5 INSTITUTIONAL DISCRETIONARY ITEMS**

The FAO verifies those applicants identified by the DOE. Aid administrators may select a student for verification if there is a discrepancy or a condition that is unusual and warrants investigation. If a student submits verification documentation (i.e. tax return), the FAO staff must verify the information on the document against the information in the student's file.

### **6.6 TOLERANCES**

When verifying a student's record, there are two instances when discrepant information does not have to be corrected.

- When the absolute value of the discrepancies does not exceed \$400.
- When the EFC is 0 and a recalculation determines the EFC would remain 0.

### **6.7 Notification to Students**

Students are notified of the results of verification by receipt of an award letter.

#### **6.7.1 CORRECTION PROCEDURES**

If corrections are needed after verification is completed, the student will be required to update the incorrect FAFSA information except for those listed in section 6.8. This will result in an additional SAR received. Once received, verification will be done on the updated information.

#### **6.7.2 OVERPAYMENTS**

FAO policies and procedures are designed to eliminate the possibility of an overpayment from any fund. If however, an overpayment does occur, the student is placed on hold until the overpayments can be corrected. Students are not allowed to register for subsequent terms and academic transcripts are withheld until the account has been cleared.

## 6.8 UPDATING REQUIREMENTS AND PROCEDURES

There are three situations whereby an aid administrator may update student information. When students notify the aid office of an allowable update, the aid administrator may recalculate the student's ELF and the new figure may be used to award financial aid. Updates may occur for:

- Dependency status (dependency status may not be changed from previously certified Stafford Loans, and may not be changed due to marital status).
- Family size
- Number of family members enrolled in a post-secondary institution (Verification of enrollment may be required).

## 6.9 INTERIM DISBURSEMENTS

Because the FAO is liable for disbursements made prior to verification, the FAO policy does not allow interim disbursements. Students must complete the verification process before aid is awarded or disbursed. No Exceptions.

## SECTION 7: NEED ANALYSIS

The Financial Aid office uses the federal methodology of needs analysis and the Expected Family Contribution (EFC) result from the FAFSA.

Because the formula focuses on a snapshot, the information on the application form must be accurate as of the application date. If the financial aid administrator discovers that any of the submitted information was inaccurate as of the application date, he or she can make a correction to that information. The financial aid administrator may not, however, update the information on the application form to reflect changes that occurred after the application date, with a few notable exceptions. Those exceptions relate to applications selected for verification. In particular, changes in the [household size and number in college](#) can be updated when the application is selected for verification (but only if the application is selected for verification), if the change is due to something other than a change in the applicant's marital status. The new information should be accurate as of the verification date.

Professional judgment does allow a financial aid administrator to adjust the information on the form, but only given the existence of special circumstances. When there are no special circumstances, the information may not be changed. A change in certain items, such as a change in income due to job loss, is in and of itself a special circumstance. A change in other items, such as the student's marital status, does not on its own constitute a special circumstance meriting an adjustment.

Thus there are three types of changes a financial aid administrator may make to a student's application

- Corrections. Information on the original application was not accurate as of the application date. Corrections are permitted at any time.
- Updates. Information on the original application was accurate as of the application date, but has since changed and the application no longer accurately reflects the student's situation. Some data elements may not be updated. Other data elements may be updated, but only through verification. A few data elements may be updated at any time.
- Adjustments and Overrides. Information on the application is accurate, but special circumstances justify a change. Adjustments may only occur through an exercise of professional judgment.

## **SECTION 8: PROFESSIONAL JUDGMENT**

The Higher Education Act of 1992 allows financial aid administrators to make professional judgment decisions for special or unusual family or student circumstances. These circumstances must be documented. Circumstances requiring professional judgment decisions must be analyzed on a case-by-case basis.

Aid administrators may treat a student with special circumstances differently than the strict application of the methodology would otherwise permit. Adjustments can either increase or decrease a student's EFC or cost of attendance. In the case of an adjustment to a student's EFC or cost of attendance, specified adjustments may be made to data elements. The reason for the adjustment must relate to that student's special circumstances and must be documented in the student's file.

### **8.1 AREAS OF ADMINISTRATION**

Professional judgment decision may be made to adjust eligibility for all institutional, Title IV, and campus-based aid. Documentation supporting special circumstances must be maintained in the student's folder.

### **8.2 STAFF AUTHORITY**

The Financial Aid Director and the FAO staff have the authority to adjust a student's eligibility using professional judgment.

### **8.3 CIRCUMSTANCES**

Student circumstances which may warrant a professional judgment decision include, but are not limited to:

- Cancellation of parental contribution due to an abusive relationship with a family member. Required documents: an explanation of the situation, signed copies of the student's current federal tax return and W2s, documentation of other source(s) of financial support if any, and three letters on official letterhead from school or community personnel confirming the student's family situation.
- Cancellation of parental contribution due to parental abandonment of the student. A notarized letter from an adult explaining the circumstances of the abandonment would be appropriate documentation. Typically, another adult is assisting the student (lives with a grandparent, a girlfriend/boyfriend's parent). If the student is receiving other assistance, in-kind support should be checked and documented.
- Involuntary loss of employment by a student, student's spouse, or parent (for dependent students).

### **8.4 STUDENT APPEALS**

Students may appeal decisions of Aid Administrators. A student must first submit a written appeal with supporting dollar-specific documentation to the Financial Aid Advisor using the appropriate form. If the decision is not reversed, the student may make an appointment with the Financial Aid Director. The decision of the Director is final, and no further means for appeal are available.

#### **8.4.1 STUDENT APPEALS FOR SATISFACTORY ACADEMIC PROGRESS**

[Student Appeal Policy](#) is located on the FAO website.

### **8.5 DOCUMENTATION**

Aid administrators are required to document professional judgment decisions. This documentation must be maintained in the student's file. Because professional judgment situations are unique, specific required documentation is not listed for each case. It is left to the discretion of the aid administrator to select what is appropriate documentation.

- Documentation should substantiate the student's situation.
- Typically, documentation should be from a professional outside the family and not a family member.
- If collecting documentation about a student's life situation, documentation from more than one person should be collected.

## **SECTION 9: PARTICIPATION IN FINANCIAL AID PROGRAMS**

The FAO participates in a variety of financial aid programs. Assistance may include scholarships, grants, loans, and jobs. Scholarships and grants are gift awards which do not have to be repaid. Loans and work opportunities are considered self-help awards since repayment or performance of duties are required. The type of aid awarded depends upon the student's financial need and is generally a combination of gift and self-help assistance.

### **9.1 INSTITUTIONAL AND PROGRAM ELIGIBILITY**

The Program Participation Agreement is appropriately signed and valid that UMC complies with the laws, policies, and regulations governing the federal student aid programs. The Financial Aid Director tracks and coordinates the recertification process for UMC. The document is housed in the Director's office, the University's Chancellor's office, and the Department of Education.

#### **ELIGIBILITY AND CERTIFICATION APPROVAL REPORT (ECAR)**

The ECAR contains the most critical of the data elements that the basis of the institution's approval. This document house information as it relates to Program Eligibility of eligible, ineligible, and the evaluation on new degree programs. The original document is located in the University President's Office.

#### **INSTITUTION OF HIGHER LEARNING REPORT**

These reports are required annually by the Board of Trustees of the Institution of Higher Learning for the State of Mississippi. Information is provided on all need and merit based recipients.

##### **9.1.1 INSTITUTIONAL ELIGIBILITY**

As a public nonprofit institution, UMC has been authorized by the United States Secretary of Education to participate in financial aid programs authorized by Title IV of the Higher Education Act of 19612 as amended.

##### **9.1.2 TERMS OF AGREEMENT**

The Program Participation Agreement between UMC and the DOE entitles the FAO to participate in the following federal programs:

- Federal Pell Grant Program

- Federal Direct Loan Program (including the Stafford Loan Program, the Unsubsidized Stafford Loan Program, Graduate Plus Loan Program, and the Parent Loan for Undergraduate Students Program).
- Federal Perkins Loan Program
- Federal Supplemental Educational Opportunity Grant Program
- Federal Work-Study Program

### **9.1.3 INSTITUTIONAL APPLICATION FOR FEDERAL FUNDS**

The FAO applies for funds through the Fiscal Operation Report and Application to Participate (FISAP). The FAO applies annually for federal funds through the FISAP which is submitted each October. The financial aid staff work together to collect the necessary statistics to complete the report. The Student Loans (SL) staff loads the finalized data into the Electronic FISAP Program and the information is sent to the University of Mississippi, along with the signature page.

### **9.2 GENERAL STUDENT ELIGIBILITY FOR FEDERAL TITLE IV FINANCIAL AID**

There are several eligibility requirements which student must meet in order to be considered for federal funds. Students must:

- Demonstrate financial need according to Federal Methodology.
- Have a high school diploma, a GED, or have passed a test approved by the Department of Education.
- Be enrolled in a degree seeking or eligible certificate program.
- Be a U.S. Citizen or eligible non-citizen.
- Make satisfactory academic progress as determined by the institution.
- Sign a statement of educational purpose and a certification statement on refunds and default.
- Sign an Anti-Drug Abuse Act Certification

#### **9.2.1 FEDERAL PROGRAMS**

The federal programs in which the FAO participates are listed in section 9.13.1.2 above. The Federal Perkins Loan Program, the Federal Supplemental Educational Opportunity Grant Program, and the Federal Work-Study Program are referred to as campus-based programs because although funded primarily with federal dollars, the institution is able to determine how these funds should be awarded to students.

##### **9.2.1.1 FEDERAL PELL GRANT**

The Federal Pell Grant is an entitlement program. Students must demonstrate financial need to qualify.

##### **9.2.1.1 PURPOSE OF PROGRAM**

The Federal Pell Grant program is federally funded with the purpose of helping financially needy students meet the cost of post-secondary education. This program is centrally administered by the federal government and is typically the foundation of a student's aid package.

##### **9.2.1.2 DETERMINE ELIGIBILITY**

The FAO uses the Pell award as the foundation of the student's financial aid package. Therefore, students requesting financial assistance during their enrollment are required to establish Federal Pell Grant eligibility before additional determination of funds eligibility is made and/ or awarded.

In order to determine eligibility for any federal financial aid program, students must file a Free Application for Federal Student Aid (FAFSA) and have the results sent to UMC. The FAO will accept results through electronic transmission with the Central Processing System (CPS). Student eligibility is determined only through the CPAS of the Department of Education using the Federal Methodology need analysis formula. The FAO must have an official EFC before eligibility for any fund may be determined.

Students are notified of the amount of the Pell Grant through an award letter. With the award letter, the student receives documentation stating how funds are to be disbursed and when the student may receive a cash disbursement.

Students who are enrolled on a less-than-half-time basis may receive a Pell Grant.

All reports required by the DOE are submitted in a timely fashion.

The enrollment status of students is not determined until the census date of the term. At that time, the actual amount of Pell Grant is determined for each student. Disbursement made prior to census date will be adjusted if the enrollment does not match the Pell award.

Pell awards are recalculated when there is a change in the EFC, when the enrollment status changes prior to census date, and when the cost of attendance changes. Students must submit the FAFSA and have electronic data submitted by June 1 of each academic year in order to allow time to process the award.

Students who submit eligible SAR's or have electronic Pell data submitted to UMC after the end of an enrollment period for which the student met all the necessary criteria, will receive a retroactive (late) award provided the student's file is complete prior to the last day of classes for the academic year.

#### **9.2.1.3 PAYMENT**

Pell Grant funds are disbursed to students one - three days prior to the first day of classes for those students who have an official Pell index and a valid award letter. Before disbursement, a compliance computer match is run to ensure the student remains eligible for the grant and is registered for the appropriate number of classes.

The Pell Grant is disbursed through electronic transmission to the Student Accounting Office. After subtracting tuition and other appropriate outstanding charges Student Accounting's staff release the remaining proceeds to the student.

#### **9.2.1.4 OVER-AWARDS**

In the event of an over-award, the student's account is placed on hold until such time that the overpayment is rectified.

#### **9.2.1.5 RECORDKEEPING**

Financial aid records are maintained in student's folders as well as ProSam. The Director and the Advisors are responsible for account management and appropriate record security for all student aid account transactions. The amount and date of any overpayment restored to the program account, the cost of attendance, determination of enrollment status, and enrollment period, eligibility of enrolled

students who submit valid Pell records, name, Social Security number, amount paid, and amount and date of each payment are maintained electronically.

#### **9.2.1.6 STUDENT ELIGIBILITY**

Students must meet the eligibility requirements described in section 9.2. In addition, the Pell Grant is awarded only to first-time undergraduates. Student eligibility is determined only through the Central Processing System of the DOE using the Federal Methodology need analysis formula.

#### **9.2.1.7 DETERMINATION OF INSTITUTIONAL FEDERAL PELL GRANT BUDGET**

The determination of the Federal Pell Grant Budget is identical to the budget used for other institutionally awarded aid.

#### **9.2.1.8 AMOUNT OF FEDERAL PELL GRANT**

The amount of Federal Pell Grant for which a student is eligible is determined using the Expected Family Contribution (EFC) and the corresponding cost of education from the Federal Pell Grant Eligibility Chart published by the DOE. The maximum amount for varies from year to year and is based on Congressional funding for the program.

#### **9.2.1.9 VERIFICATION PROCEDURES**

Verification procedures for the Federal Pell Grant are identical to other Title IV aid. See section 6 for additional information.

#### **9.2.1.10 STUDENT AID REPORT (SAR) PROCESSING**

See section 9.9 for additional information.

#### **9.2.1.11 DISBURSEMENT PROCEDURES**

Pell Grant funds are disbursed to students only after an official EFC from the DOE has been received. The student must accept offered aid by signing the financial aid award letter.

### **9.2.2 FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)**

The FSEOG is a gift program for students who demonstrate financial need.

#### **9.2.2.1 PURPOSE OF PROGRAM**

The FSEOG program is federally funded for the purpose of helping the financially needy student meet the cost of post-secondary education. This program is administered by the institution; however, FSEOG funds are awarded to Pell Grant recipients first.

#### **9.2.2.2 DETERMINING ELIGIBILITY**

In order to determine eligibility for any federal financial aid program, students must file a Free Application for Federal Student Aid (FAFSA) and have the results sent to UMC. The FAO will accept results through electronic transmission with the Central Processing System (CPS). Student eligibility is determined only through the CPS of the DOE using the Federal Methodology need analysis formula. The FAO must have an official EFC before eligibility for any fund may be determined. FSEOG grants are awarded to students who qualify for a Pell Grant first. Students must have remaining need of at least \$200 after the Pell Grant

and the Leveraging Educational Assistance Partnership (LEAP) have been awarded to be entitled to the FSEOG.

Students are notified of the amount of their FSEOG eligibility through an award letter. With the award letter, the student receives documentation stating how funds are to be disbursed and when the student may receive a cash disbursement.

#### **9.2.2.3 MATCHING REQUIREMENT**

UMC matches the federal allocation of FSEOG funds by 25% as prescribed by law.

#### **9.2.2.4 PAYMENT**

FSEOG funds are disbursed to students one - three days prior to the first day of classes for those students who have a valid award letter. Before disbursement, a compliance computer match is run to ensure the student remains eligible for the grant and is registered for the appropriate number of classes.

The FSEOG is disbursed through the Student Accounting Office which subtracts tuition and other appropriate outstanding charges before releasing the remaining proceeds to the student.

#### **9.2.2.5 OVER-AWARDS**

In the event of an over-award, the student's account is placed on hold until such time that the overpayment is rectified.

#### **9.2.2.6 RECORDKEEPING**

Financial aid records are maintained in student's folders as well as on computer tape. Student records include the demonstration of need and FSEOG eligibility. The Director and the Advisors are responsible for account management and appropriate record security for all student aid transactions and how need was met for all aided students.

#### **9.2.2.7 STUDENT ELIGIBILITY**

Students must meet the eligibility requirements described in section 9.2. In addition, the FSEOG is awarded only to first-time undergraduates who are Pell eligible. Student eligibility is determined only through the Central Processing System of the Department of Education using the Federal Methodology need analysis formula.

#### **9.2.2.8 AMOUNT OF AWARD**

The regulated maximum amount of FSEOG is \$4,000 and the minimum is \$100. However, the FAO self-imposes minimum and maximum awards to ensure that the greatest number of students have an opportunity to receive a portion of the FSEOG allocation.

#### **9.2.2.9 DISBURSEMENT PROCEDURES**

FSEOG funds are disbursed to student only after an official EFC for DOE has been received. The student must accept offered aid by signing the FAO award letter.

#### **9.2.3 FEDERAL PERKINS STUDENT LOAN PROGRAM**

The Federal Perkins Loan Program provides low interest deferred payment loans to undergraduate and graduate students who demonstrate financial need. These funds assist students with educational expenses.

#### **9.2.3.1 PURPOSE OF PROGRAM**

The Federal Perkins Loan program is federally funded for the purpose of helping the financially needy student meet the cost of post-secondary education.

#### **9.2.3.2 DETERMINING ELIGIBILITY**

In order to determine eligibility for any federal financial aid program, students must file a Free Application for Federal Student Aid (FAFSA) and have the results sent to UMC. The FAO will accept results through electronic transmission with the Central Processing System (CPS). Student eligibility is determined only through the CPS of the DOE using the Federal Methodology need analysis formula. The FAO must have an official EFC before eligibility for any fund may be determined.

Students are notified of the amount of their Federal Perkins Loan eligibility through an award letter. With the award letter, the student receives documentation stating how funds are to be disbursed.

#### **9.2.3.3 MATCHING REQUIREMENT**

UMC matches the federal allocation of Federal Perkins funds by 25% as prescribed by law.

#### **9.2.3.4 PAYMENT**

Federal Perkins Loan funds are disbursed to students one - three days prior to the first day of classes for those students who have a valid award letter. Before disbursement, a compliance computer match is run to ensure the student remains eligible for the loan and is registered for the appropriate number of classes.

#### **9.2.3.5 OVER-AWARDS**

In the event of an over-award, the student's account is placed on hold until such time that the overpayment is rectified.

#### **9.2.3.6 RECORDKEEPING**

Financial aid records are maintained in student's folders as well as ProSam. Student records include the demonstration of need and Federal Perkins Loan eligibility. The Director and FAO advisors are responsible for account management and appropriate security for student aid account transactions and how need was met for all aided students.

#### **9.2.3.7 STUDENT ELIGIBILITY**

Students must meet general eligibility for Federal Title IV funds as described in Section 9.2.

#### **9.2.3.8 MINIMUM AND MAXIMUM AWARDS**

The regulated maximum amount of Federal Perkins Loan is Graduate Student \$8000 per year and Undergraduate \$5500 per year. However, the FAO self-imposes minimum and maximum awards to ensure that the greatest number of students have an opportunity to receive a portion of the Federal Perkins allocation.

### **9.2.3.9 DISBURSEMENT PROCEDURES**

Federal Perkins Student Loan funds are disbursed to student only after an official EFC for DOE has been received. The student must accept offered aid by signing the FAO award letter and returning the signed promissory notes.

### **9.2.3.10 ENTRANCE/EXIT LOAN COUNSELING**

All first-time transfer and re-entry students borrowing a federal loan are required to complete entrance counseling. [Entrance/Exit counseling](#) is done online. FAO Director and Advisors also counsel students during orientation and various workshops. The Student Loan Office is responsible for administering exit counseling to Perkins loan recipients which is done online and in person.

### **9.2.3.11 BILLING AND COLLECTION PROCEDURES**

Billing and collection of Federal Perkins Loan is the responsibility of the Student Loan Office. See section 9.2.4.5

## **9.2.4 FEDERAL DIRECT LOAN PROGRAMS**

For additional information regarding loan programs and the application process, please see: [http://financialaid.umc.edu/student\\_financial\\_aid/documents/LPrograms.html](http://financialaid.umc.edu/student_financial_aid/documents/LPrograms.html)

### **9.2.4.1 PAYMENT**

Federal Direct Loan funds are disbursed to students one - three days prior to the first day of classes for those students who have a valid award letter. Before disbursement, a compliance computer match is run to ensure the student remains eligible for the loan and is registered for the appropriate number of classes.

### **9.2.4.2 OVER-AWARDS**

Once the entire Federal Direct Loan proceeds have been released to the student, an over award does not exist. If however, the student becomes ineligible, a full or partial auto debit will be processed through ProSam.

### **9.2.4.3 RECORDKEEPING**

Financial aid records are maintained in student's folders as well as in ProSam. Student records include the demonstration of need and Federal Subsidized Loan eligibility. The Director and FAO advisors are responsible for account management and appropriate security for student aid account transactions and how need was met for all aided students.

The Registrar is responsible for the submission of all Student Status Confirmation Reports (SSCR) to the National Clearing House. The SSCR notifies DOE of address changes, enrollment changes, ensuring office compliance with all guaranty agency requirements, and sharing information with lenders and loan servicing agencies.

### **9.2.4.4 RETURN OF FUNDS TO DOE**

The director and the advisors are responsible for submitting auto debits (return of funds) via ProSam within 45 days after student has ceased to maintain eligibility.

### **9.2.4.5 PROCESSING PROCEDURES**

All eligible students will receive an Award Notification letter. The award letter must be signed electronically via the web portal before any financial aid will be processed. In order to assure timely disbursement of aid, students are encouraged to accept their signed Award Notification and submit all requested documents immediately. The student must sign a master promissory note with DOE for Federal Direct Loans. Disbursement dates are posted on the FAO website. If applicable, the student will receive a refund disbursement within two weeks.

#### **9.2.4.5.1 FEDERAL CAMPUS-BASED AND INSTITUTIONAL LOAN DOCUMENTS**

All students can access their loan documents once they have accepted their award notification via the web portal. The student must print, complete, sign and return the documents to the Student Loans (SL) staff. All required documents are attached to the appropriate loan program. These documents include the following:

- Loan Promissory Note
- Rights & Responsibility Statement
- Disclosure Statements
- Loan Entrance Summary (Federal programs only)
- Truth and Lending Statement
- Personal Data Sheet

#### **9.2.4.5.2 DISBURSEMENT OF FEDERAL CAMPUS-BASED AND INSTITUTIONAL LOANS**

There are specific regulations that currently apply to some campus-based loan programs and all institutional loan programs, as well as private loan programs. [Click here](#) for more information. Once regulations are met, loan funds are released by the SL staff and posted to the student's tuition account.

**SCHOLARSHIPS AND THIRD PARTY FUNDS:** All scholarship recipients' listed financial aid will be transferred to the student's tuition account 1 - 3 days prior to the scheduled disbursement date if funds are available.

#### **9.2.4.5.3 MONITORING OF FEDERAL CAMPUS-BASED AND INSTITUTIONAL LOANS**

File folders are kept on all loan recipients. The file folders are kept in a fireproof file cabinet for up to 15 years or more depending on student's field of study. A loan servicing company, Affiliated Computer Services (ACS), is used to monitor and bill students after graduation. ACS sends a notice of payment in full to the student when final payment is received. Original promissory notes and refund of overpayments, above \$25, are sent 60 days after payoff by the SL staff. The overpayment is refunded to the student or agency that paid the loan in full. Files are kept seven years after the account is paid in full before being destroyed.

#### **9.2.4.5.3.1 COLLECTION/DEFERMENT OF FEDERAL CAMPUS-BASED AND INSTITUTIONAL LOANS**

- The billing agency, ACS, follows federal and state regulations of due diligence to collect student loans.
- Deferment forms are mailed with billing statements of loans with deferment provisions. Students who default or reach 90 days past due are placed with a collection agency.
- The agencies used by UMC are General Revenue Corporation and Progressive Financial Services. The collection rate is 25% first time placement, 33.33% second time placement, and 40% litigation.
- Loan Consolidation/Early Repayment

A student may consolidate Title IV and Title VII loan funds with Stafford loans. Consolidations are handled by the Department of Education and there is no penalty for early repayment of campus-based and institutional based loan programs.

#### 9.2.4.5.3.2 FINANCIAL REPORTING

The SL staff completes two annual federal reports.

- Fiscal Operations Report and Application to Participate (FISAP). This report is done jointly with the University of Mississippi and due in October. It is submitted to the Office of Education.
- Annual Operating Report (AOR). This report is submitted to Health and Human Services and due in August.
- Fiscal Year End Reporting. Financial Statements are prepared and submitted to Betty Scott, Associate Comptroller.

#### 9.2.4.6 ENTRANCE/EXIT LOAN COUNSELING

All first-time transfer and re-entry students borrowing a federal or institutional loan are required to complete entrance counseling. [Entrance/Exit counseling](#) is done online. FAO Director and Advisors also counsel students during orientation and various workshops.

##### 9.2.4.6.1 INSTITUTIONAL LOAN PROGRAMS EXIT COUNSELING

- Each loan recipient has a personal interview with a member of the SL staff prior to graduation. Loan recipients can also participate in group exit counseling sessions.
- Process
  - During late January, once expected spring graduation list is received from Registrar, the SLO staff begins preparation for exit interviews.
  - Notification of exit interviews are mailed to students requesting students to contact the SLO to schedule an appointment
  - Exit interviews are conducted mid February – early May. During the exit interview, the student is required to sign repayment schedules and related documents, which are maintained on file.
  - Exit interviews are also conducted via mail with students who have left UMC (dismissed, withdrew, etc.).

#### 9.2.5 FEDERAL WORK-STUDY

For additional information regarding federal work-study and the application process, please see:

[http://financialaid.umc.edu/student\\_loans/Workstudy.html](http://financialaid.umc.edu/student_loans/Workstudy.html)

##### 9.2.5.1 ELIGIBILITY CRITERIA

- U.S. Citizens or Permanent Residents, and
- Enrolled at least half-time in a degree or certificate program, and
- Have filed the FAFSA before Federal Work Study funds run out, and
- Demonstrate need.

##### 9.2.5.2 INSTITUTIONAL POLICY STATEMENT

Student may work up to 20 hours per week while enrolled, and up to 40 hours per week when not enrolled (summer vacation). **Note:** Academic demands at UMC are such that Deans and Department Heads of certain programs prohibit students from working while enrolled. Therefore, Federal Work Study

is awarded only upon student request and eligibility, availability of funds, and department approval. It is also the student's responsibility to locate employment when eligible and approved.

#### **9.2.6 STATE FINANCIAL AID PROGRAMS**

The FAO participates in several other State programs. The Director is responsible for verification of student eligibility and reporting for the programs. State Financial Aid Programs are administered by the State Institution of Higher Learning.

For additional information regarding state programs and the application process, [click here](#).

#### **9.2.7 INSTITUTIONAL FINANCIAL AID PROGRAMS**

##### **9.2.7.1 INSTITUTIONAL SCHOLARSHIP PROGRAMS**

The University offers a large scholarship program. For additional information regarding UMC Scholarships, please see the FAO website and the UMC Bulletin.

##### **9.2.7.2 INSTITUTIONAL LOANS**

The University offers a large institutional loan program. Institutional loans are awarded to eligible students by the FAO and administered by the Student Loans Office. For additional institutional loan information, [click here](#).

The Development Accounting Office offers an emergency loan to eligible students. Eligibility Criteria – Student must be enrolled and have a favorable loan history with the emergency loan program.

##### **9.2.7.3 INSTITUTIONAL EMPLOYMENT**

Students may obtain institutional employment. Students should check with specific departments for assistance.

### **SECTION 10: AWARDING FINANCIAL AID**

The FAO staff has developed an institutional packaging philosophy to ensure consistent, equitable, and fair distribution of financial aid funds.

#### **10.1 DETERMINATION OF TOTAL FUNDS TO BE AWARDED**

The director determines the total aid to be awarded during an academic year. The DOE sends the FAO information detailing annual fund allocations through the Federal Authorization Letter with the Official Notice of Funding. Determining the total funds available includes an evaluation and projection of available funds, required matching, and administrative expense. Careful projections are made to enable the FAO staff to offer fair and equitable packages to students. A determination is made based on prior year history and an increase of projected funds to account for attrition.

##### **10.1.1 OUTSIDE RESOURCES**

Students are encouraged to seek assistance from outside resources. It is required that all outside assistance be reported to the FAO. Student aid including outside resources, may not exceed the student's cost of attendance. Therefore, if a student has been awarded by the aid office and receives an outside award, an adjustment to the original award letter may be necessary. If an adjustment is made, the outside aid will replace self-help aid if possible.

### **10.1.2 AWARD LETTER AND ACCEPTANCE OF AWARDS**

Students receive notice of financial aid via an award letter. Students are required to accept or decline each award via the web portal. Students, who do not accept awards within 30 days, may lose all funds. Campus-based funds are rewarded to other needy students. A student may receive a reinstatement of a canceled offer only if aid funds are available. Monies are not reserved for reinstated awards.

### **10.1.3 SUMMER AID**

There are only a few financial aid programs for which students may apply during the summer. A student may not exceed Pell eligible award during an academic period.

Students may also apply for Federal Direct Loan programs during the summer term. Summer is a header for most programs.

### **10.1.4 CONSORTIUM AGREEMENTS**

A student may receive Title IV aid if he/she is taking courses at two or more schools, if the participating institutions enter into a consortium agreement. A consortium agreement specifies which institution will process and disburse student aid. The agreement also should stipulate which institution will consider the student enrolled. Whichever institution disburses aid funds is responsible for keeping records and returning Title IV funds in the case of an over award.

### **10.1.5 INTERNATIONAL STUDENTS**

International students are not eligible for federal or state financial aid because they do not meet the citizenship requirement. International students may receive non-federal aid and are encouraged to apply for such aid.

### **10.2.1 REVISION OF FINANCIAL AID AWARDS**

Once an award letter is sent to the student, there may be instances which warrant a change to the original notification. An advisor may review a student's circumstances, make an adjustment to an award, and release a revised award letter. This revised award invalidates the original award notice.

### **10.2.2 REVISION INITIATED BY THE FAO**

The FAO will automatically consider a revision in a student's aid package when the following occurs:

- There is conflicting information in the file
- There are changes resulting from verification
- There is a change in availability of funds
- There is an FAO staff member error

The award letter acknowledges right of the FAO to make a change to any award. Notification of the change is sent to the student and the electronic award letter is updated in the web portal. In the case of an office error, it is customary to contact the student personally or send a personalized letter.

### **10.2.3 REVISIONS INITIATED BY REQUEST FROM STUDENT**

Students may decline any portion of their award. Lack of acceptance does not count as a revision. If a student wants to add an award, the request will be referred to an aid administrator.

It is the student's responsibility to notify the FAO of changes in a student's resources. If the student makes an appointment with an aid administrator and reveals a change in circumstances which may affect the student's family contribution, the student should document the situation by written letter reiterating the conversation and including supportive documentation. If a change in the award is allowable, the aid administrator will release a revised award letter.

#### **10.2.4 OVERAWARDS**

An over-award occurs any time a student's disbursed financial aid (federal, institutional, and outside aid) and other resources exceeds the cost of attendance for the award period by more than an allowable tolerance.

#### **10.2.5 ELIMINATING AN OVER-AWARD**

Before reducing a student's aid package because of an over-award, an advisor should always attempt to alleviate the situation by reducing or eliminating the over-award. The following possible allowances should be checked.

- Increase budget using allowable expenses
- Adjust EFC
- Adjust un-disbursed funds (all un-disbursed financial aid funds must be withdrawn in the case of an over-award).

#### **10.2.6 CAUSES OF AN OVER-AWARD AND/OR OVERPAYMENT**

There are several causes of an over-award:

- Student wages – the student earns more than the awarded FWSP allocation.
- Change in the enrollment status – the student withdraws or drops below the projected enrollment status.
- Reduction in cost of attendance – the student changes budget categories.
- Additional resources – the student has resources greater than those used to calculate the award.
- Administrative error – the aid administrator inadvertently makes an error.
- Fraud – the student intentionally deceives or misrepresents information to obtain funds.

#### **10.2.7 TREATMENT OF AN OVER-AWARD**

If eliminating the over-award is not possible the advisor must reduce the over-award using the following sequence:

- An over-award over \$300 based on surplus earnings must be counted as a resource.
- An over-award from an administrative error must first reduce or eliminate next semester's overpayment. The advisor must notify the student for any remaining amount. The student will also receive a bill from the Student Accounting Office.
- Once a Stafford loan has been disbursed, there is no over-award.
- If an over-award occurs due to fraud, all federal aid will be reversed.