

MINNESOTA
OFFICE OF
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July 2008



Minnesota Financial Aid Manual



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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program for Minnesota students. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Program, licensing and an early awareness outreach initiative for youth. Through collaboration with systems and institutions, the agency assists in the development of the state's education technology infrastructure and shared library resources.

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Minnesota Office of Higher Education Financial Aid Manual

- **Agency Information and Materials**
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Our Mission

To advance the promise of higher education to all Minnesotans.

Our Purpose

The Minnesota Office of Higher Education is a state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment and financial aid. The Minnesota State Grant program is the largest program administered by the agency, providing need-based tuition assistance to Minnesota students. The agency also oversees tuition reciprocity programs, a student loan program, Minnesota's 529 college savings program, licensing and an early awareness outreach initiative for youth.

Functions of the Agency

- *Financial Aid Programs* – The agency typically awards more than \$130 million each year in need-based state grants, about \$140 million in state loans. The agency also administers state work-study funds, a child care grant, the Minnesota GI Bill, an Indian Scholarship program and the ACHIEVE Scholarship, which is awarded to Minnesota residents who take rigorous course work in high school.
- *Licensing and Registration of Private Colleges* – The agency administers consumer protection statutes to license private, for-profit career schools and approves degrees for certain other institutions.
- *Interstate Tuition Reciprocity Programs* – Minnesota has interstate reciprocity agreements with Wisconsin, South Dakota, and North Dakota, and the Canadian province of Manitoba. More than 42,000 students take advantage of these agreements each year.
- *The Minnesota College Savings Plan* – The agency has responsibility for the Minnesota College Savings Plan, a 529 plan with assets of more than \$500 million.
- *Data Collection* – The agency is responsible for collecting and maintaining data on enrollments, financial aid and other relevant data. Data include information on both public and private postsecondary education and are used to inform policymakers and the higher education community about trends and issues.
- *Policy and Analysis* – As the executive branch agency for higher education, the agency is charged with developing an accountability system for Minnesota's higher education sector to inform policymakers.
- *Student and Parent Information* – The agency provides students and parents with information about academic and financial preparation, including financial aid. The agency accomplishes this through its Web site, publications, presentations and outreach to students and families.
- *Administration of Federal Programs* – The agency administers federal programs that affect students, parents, teachers and institutions statewide. The largest program, called Get Ready, provides direct intervention, college awareness and academic tutoring to youth in participating urban schools. In addition, the program also provides materials and programming assistance to other schools throughout Minnesota that serve a predominance of low-income students. Another federal program is the Improving Teacher Quality State Grant Program, designed to improve the effectiveness of K-12 classroom instruction and the distribution of highly qualified teachers.
- *Learning Network of Minnesota* – The agency administers funds for the Learning Network of Minnesota, which connects public higher education institutions and selected school districts and regional public library systems to provide access to educational programs and library resources.
- *Library Services* – Two statewide library programs are funded through legislative appropriations to the agency. The MINITEX Library Information network is a publicly supported network of academic, public, state agency, and special libraries working cooperatively to share resources and improve library services for users. MnLINK is a statewide, online virtual library that is being developed in cooperation with Minnesota libraries.

Visit Us

For general information about the Minnesota Office of Higher Education, visit

www.ohe.state.mn.us

(651) 642-0567 or (800) 657-3866

Other Agency Resources

- For general information for students and parents about preparing and paying for college, visit www.getreadyforcollege.org
- For information on the SELF loan program, visit www.selfloan.org
- For information on the Minnesota College Savings Plan, visit www.mnsaves.org
- For information for middle school students, visit www.imakeithappen.org

**Minnesota Office of Higher Education
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Revised July 2008

Address for Refunds: MN Office of Higher Education, P.O. BOX 64449, St. Paul, MN 55164-0449

Please direct students to the student inquiry number below to avoid encountering voice mail.

Student Inquiries and Supplies

In the Twin Cities metropolitan area, call (651) 642-0567

Outside the metropolitan area, call 1-800-657-3866

TTY: 1-800-627-3529

- State Grant and loan information
- state application procedures
- status of state program applications
- supplies

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**Minnesota Office of Higher Education
Financial Aid Manual**

| # | Program Name | Procedures | Statutes | Rules | Appendices |
|---|--|------------|----------|---------------|------------|
| 1 | Common Definitions | July 2008 | May 2008 | June 2005 | |
| 2 | Minnesota State Grant Program | July 2008 | May 2008 | December 2003 | July 2008 |
| 3 | Minnesota State Work Study Program | July 2008 | May 2007 | May 2000 | July 2008 |
| 4 | Postsecondary Child Care Grant Program | July 2008 | May 2007 | July 2005 | July 2008 |
| 5 | Public Safety Officer's Survivor Grant Program | July 2008 | May 2008 | December 2003 | July 2008 |
| 6 | Student Educational Loan Fund Program | June 2008 | May 2007 | June 2008 | June 2008 |
| 7 | Achieve | July 2008 | May 2008 | | July 2008 |
| 8 | Minnesota GI Bill | July 2008 | May 2008 | | July 2008 |
| 9 | Minnesota Indian Scholarship | July 2008 | May 2008 | | July 2008 |

Minnesota State Financial Aid Programs General Eligibility Requirements Chart

| Qualifications | State Grant | Postsecondary Child Care | Safety Officer's Survivors | Work Study | SELF Borrower | SELF Co-signer | Reciprocity |
|--|-------------|--------------------------|----------------------------|-------------|---------------|----------------|-------------|
| U.S. citizenship or permanent resident | X | X | | X | | X | |
| Minnesota resident definition used | State Grant | State Grant | | State Grant | * | | ** |
| Minimum enrollment status (number of credits) | 3 | 6 | | 6*** | 6 | | |
| No B.A. | X | X | X | | | | |
| Amount of full-time postsecondary education allowed prior to ineligibility**** | 4 years | 4 years | 5 years | | | | |
| Making satisfactory academic progress***** | X | X | | X | X | | |
| Not in default on federal or state student loan | X | X | | | X | | |
| Not receiving MFIP benefits | | X | | | | | |
| Not in sectarian program | | X | | | | | |
| Has dependent child 12 or younger with child care expenses | | X | | | | | |
| Financial need | X | X | | X | | | |
| HS graduate/GED or 17 years old by end of school year | X | | | | | Must be 18 | |
| Attending Minnesota school | X | X | X | X | | | |
| Not in arrears on child support | X | | | | | | |
| Program leads to degree, certificate or diploma | X | X | X | X | X | | |
| Not receiving reciprocity benefits to attend a Minnesota school | X | X | | X | | | |
| Now owe OHE for State Grant overpayment | X | | | | | | |

*SELF borrower attending outside Minnesota must meet State Grant residency requirement.

**This program has unique residency requirements. Please contact the Minnesota Office of Higher Education for additional information.

***A student may work one term of non-enrollment or less than half-time enrollment per aid year.

****Student is allowed one extra term of eligibility if student withdrew from college after December 31, 2002, for active military service.


*****SELF program allows school to define satisfactory progress. Other programs noted use definition in Minnesota Statutes 136A.101, Subd. 10.

NOTE: This chart is not intended as an exhaustive list of requirements for all state programs but shows how the general state eligibility requirements apply to state aid programs.

Calendar of Financial Aid Events and Reporting Deadlines

| Program | July | August | September | October | November | December |
|--|--|---|--|--|---|---|
| State Grant | Submit one DDS recipient batch per month July 15 – Submit DDS batch containing leading summer term payment activity | Submit one DDS recipient batch per month August 1 – Schools will fall starts must report first DDS batch for new year August 1 – Submit final no-need batch to OHE DDS end of year deadline: August 1 for return of cash balance, August 31 for last batch | Submit one DDS recipient batch per month | Submit one DDS recipient batch per month October 1 – August/September fall starts, report fall payment activity October 15 – Late starts, report fall payment activity | Submit one DDS recipient batch per month November 1 – Submit first no-need batch | Submit one DDS recipient batch per month |
| Work Study | 15% initial allocation disbursed | Year End Report for previous aid year due first working day after the 9th | 35% initial allocation disbursed | | First refund/reallocation | Remaining 50% of initial allocation disbursed |
| Postsecondary Child Care Grant | | Year End Report for previous aid year due first working day after the 9th | 50% initial allocation disbursed | | First refund/reallocation | Remaining 50% of initial allocation disbursed |
| Safety Officer's Survivor Grant | All awards are disbursed by academic term | | | | | |

| Program | January | February | March | April | May | June |
|--|---|--|--|---|--|--|
| State Grant | Submit one DDS recipient batch per month January 15 – Submit winter quarter payment activity | Submit one DDS recipient batch per month Submit one no-need batch per quarter | Submit one DDS recipient batch per month March 1 – January/February spring starts, report spring payment activity | Submit one DDS recipient batch per month April 1 – Submit no-need batch to OHE for schools with winter quarters April 15 – Late start spring term payment activity reported | Submit one DDS recipient batch per month Submit one no-need batch per quarter | Submit one DDS recipient batch per month Schools are sent DDS funds advance request for next aid year Report trailing summer term enrollment/award activity ASAP Final budget verification for next aid year Begin submitting DDS test batches for next year |
| Work Study | Second refund/reallocation | | Third refund/reallocation Refunds returned after March 1 will affect utilization rate | | Program participation forms are sent out Fourth refund/reallocation | |
| Postsecondary Child Care Grant | Second refund/reallocation | | Third refund/reallocation Refunds returned after March 1 will affect utilization rate | | Program participation forms are sent out Fourth refund/reallocation | |
| Safety Officer's Survivor Grant | All awards are disbursed by academic term | | | | | |



Common Definitions for Financial Aid Programs

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I. Common Definitions

A. Introduction

This chapter of the manual is intended to provide information about terms and requirements that apply to several state financial aid programs. The individual program chapters in this manual may refer to this section rather than define the term in that chapter. If a term or requirement only applies to one state aid program, it will be defined in the chapter for that particular program.

B. Terminology

1. Academic Year

A period of time in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters or three quarters; or at least 30 semester hours or 45 quarter hours; or at least 900 clock hours. For purposes of satisfactory academic progress, “academic year” means grade level as defined by the institution.

2. Audits/Records Retention

Schools may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid programs.

The statute gives schools the ability to decide which agency or firm will conduct the audit of state aid programs. The school may opt to continue to have auditors from the Minnesota Office of Higher Education (the Agency) perform audits free of charge or may choose to employ an outside auditing firm to conduct the state audit in conjunction with the federal audit. The auditing firm must be the firm that conducts the school’s audit of federal aid programs. Choosing an outside firm is not a free service.

If an outside auditing firm is used, the Office of Higher Education would review each audit and determine the appropriate response to audit exceptions and findings.

The school must make available to auditors all pertinent books, documents, papers and records for audit and examination for three years after the last day of the fiscal year or until

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all audit exceptions for the period are resolved. (See chapter on SELF loan for additional records retention requirements for that program.)

3. Certificate Program

A program that is offered by an eligible school; is at least 12 quarter credits or the equivalent, or 300 credit hours for clock hour schools; and is at least eight weeks long.

4. Clock Hour

A clock hour is defined as a period of time consisting of:

- a 50 to 60 minute class, lecture or recitation in a 60 minute period;
- a 50 to 60 minute faculty-supervised laboratory, shop training or internship in a 60 minute period; or
- 60 minutes of preparation in a correspondence course.

If an institution seeks to determine the number of clock hours in an educational program by aggregating the number of minutes in that program, it must divide those minutes by 60.

5. Credit Hour

For educational programs measured in credit hours, the credit hour value must be determined by applying a conversion formula linked to clock hours of instruction. The following conversions must be observed:

- a semester hour must include at least 30 clock hours of instruction;
- a trimester hour must include at least 30 clock hours of instruction; and
- a quarter hour must include at least 20 hours of instruction.

This conversion formula does not apply to a program if:

- the program is at least two academic years in length and provides an associate degree, bachelor's degree or a professional degree; or
- each course within the program is acceptable for full credit toward that institution's degree or professional degree, provided that the institution's degree requires at least two academic years of study.

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6. Dependent Student

A student who is required to provide parental information on the financial aid application because the student does not meet the criteria for independent student in the Higher Education Act of 1965 as amended. (See definition of “Independent Student” in this section.)

7. Director

The director of the Minnesota Office of Higher Education.

8. Eligible Non-Citizen

Eligible non-citizens are eligible to receive state financial aid if they are:

- a U.S. national; or
- a permanent resident holding an Alien Registration Receipt Card (I-551); or
- other eligible non-citizen holding an Arrival-Departure Record (I-94) showing “Refugee,” “Asylum Granted,” “Parole” (paroled for less than one year and status has not expired) or “Cuban Haitian Entrant;” or
- a conditional permanent resident (I-551C).

9. Expected Family Contribution

The Expected Family Contribution (EFC) is the amount the family is expected to contribute towards educational costs based on treatment of family income and assets under the federal need analysis. In the case of an independent student, the EFC is the same as the student contribution. For dependent students, the EFC is comprised of the student and parent contributions.

10. Financial Need

Demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant’s parents under the federal need analysis formula. For campus-based programs such as State Work Study, financial need is defined as the cost of attendance minus the federal EFC and other financial aid. The Minnesota

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State Grant program uses the Design for Shared Responsibility formula to determine financial need.

11. Fiscal Year

A state fiscal year begins on July 1 and ends on June 30.

12. Good Standing

The student's grade point average (GPA) meets the standards required by the satisfactory academic progress policy in place for a particular aid program.

13. Independent Student

A student who is not required to provide parental information on the financial aid application because the student meets one of the criteria for independent student in the Higher Education Act of 1965 as amended:

- is 24 years of age or older by December 31 of the award year;
- is an orphan or ward of the court;
- is a veteran of the Armed Forces of the United States;
- is currently serving on active duty in the U.S. Armed Forces for purposes other than training;
- is a graduate or professional student;
- is a married individual;
- has legal dependents (other than children or a spouse) who live with and receive more than half of their support from the student;
- has children who receive more than half of their support from the student; or
- is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

14. Institutional Participation Agreement

The document signed by the appropriate school official(s) and the designated representatives for the Minnesota Office of Higher Education which specifies the rights and

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the responsibilities of the school and the Agency as they relate to participation in the specific financial aid program(s) covered by that agreement.

15. Leave of Absence (LOA)

A leave of absence is a period of time approved by the school during which the student is not in attendance but is considered to be enrolled. Each school is required to have a formal leave of absence policy, the student must follow that policy when requesting a leave of absence, and the school must have approved the student’s request in accordance with its policy. The student’s request must be submitted in writing, specifying the reason for the LOA. A student may take multiple leaves of absence from a school within a 12-month period as long as the total number of days in all leaves does not exceed 180 days. A leave of absence need not consist of consecutive days when granted.

Schools participating in financial aid programs must have a written leave of absence policy that meets the definition of leave of absence used for federal financial aid programs, as defined in 34 CFR 668.22(d).

If a student does not return at the expiration of an approved leave of absence, the student is considered to have withdrawn on the day the student began the leave of absence.

The institution may not assess the student any additional institutional charges, the student’s financial need may not increase and the student is not eligible for any additional state financial aid due to a leave of absence.

16. Office

The Minnesota Office of Higher Education.

17. Parent Contribution

The amount parents are expected to contribute towards the student’s education according to the federal need analysis formula.

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18. Postsecondary Institution

An academic, vocational, proprietary, technical, business, professional, college or university offering educational credentials or offering instruction or educational services (primarily to persons who have completed or terminated their secondary education or who are beyond the age of compulsory attendance) for attainment of educational, professional or vocational objectives. Postsecondary education institutions may be classified as either publicly or privately controlled. The privately controlled group includes two major categories—private nonprofit schools and proprietary schools.

19. Professional Judgment

A procedure introduced under federal Title IV aid programs whereby the financial aid director is given the authority to make adjustments to the student’s financial aid application based on unusual circumstances. Examples of unusual circumstances include, but are not limited to: death of a wage earner; divorce; unemployment; unusual medical expenses; unusually high child care costs; parents enrolled in college; or other changes in a family’s income, assets, or a student’s status. Professional judgment may also be used for a dependency override, whereby the aid administrator changes a student’s dependency status from dependent to independent based on documentation of unusual circumstances.

The aid administrator may not extend adjustments to a broad class of students, but must review each student’s situation on a case-by-case basis. All adjustments must be documented in the student’s file. Any adjustments to the EFC must be based on changing data elements (i.e., income, assets, etc.) used in the need analysis formula as opposed to making a bottom line change to the EFC itself. With the exception of the State Grant budget, the aid administrator is also allowed to adjust the student’s cost of attendance based on unusual circumstances.

One example of a professional judgment adjustment is changing the income on a student’s application to reflect the income for the current tax year (January 1–December 31) or academic year (July 1–June 30) if the student or parent became unemployed.

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For further guidance, schools should refer to the section on professional judgment contained in the Application and Verification Guide chapter of the *Federal Student Aid Handbook* at www.ifap.ed.gov.

20. Refund

The amount of institutional charges returned to the financial aid programs and/or student after the student withdraws, fails to enroll or changes enrollment status. Policies, procedures and worksheets/spreadsheets for refunds can be found in the State Grant chapter of the financial aid manual.

21. Resident Student

A resident student means a student who meets one of the following conditions:

- a dependent or independent student who has resided in Minnesota for 12 consecutive months without being enrolled in a postsecondary school for more than five credits in any term; or
- a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies; or
- an independent or dependent student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school, and the student is physically attending a Minnesota postsecondary educational institution; or
- an independent or dependent student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate (GED) in Minnesota; or
- an independent student who was granted residency as a dependent and has not since left the state of Minnesota; or
- an independent or dependent student who is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c; or
- a spouse or dependent of a veteran, as defined in Minnesota Statutes 197.447, if the veteran meets the residency definition used for state financial aid programs; or
- an independent or dependent student (or spouse of) who relocated to Minnesota from

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an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education; or

- an independent or dependent student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Although a student may meet the definition of a resident student, the student is not eligible to receive funds from the State Grant, Postsecondary Child Care Grant and State Work Study programs if the student is receiving tuition reciprocity benefits from another state while attending a Minnesota public college or university.

| Establishing Minnesota Residency for State Grant, State Work Study and Postsecondary Child Care Grant Programs | | | |
|---|--|--|---|
| Methods | Dependent Student | Independent Student | Documentation |
| Graduated from MN high school while student resided in MN if student is physically attending a MN college. (Home-schooling considered equivalent to traditional high school.) | Meets residency definition indefinitely regardless of state of residency after high school, provided the student is not exclusively taking distance education classes while residing in another state. | Meets residency definition indefinitely regardless of state of residency after high school, provided the student is not exclusively taking distance education classes while residing in another state. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking location of high school and student's residence during high school. Registration records would indicate mode of delivery for current classes. |
| Earned GED in MN after residing in MN for 12 consecutive months. (Time incarcerated cannot be used to establish residency.) | Meets residency definition indefinitely regardless of state of residence after GED earned. | Meets residency definition indefinitely regardless of state of residence after GED earned. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking when/where GED earned and date student moved to MN. |

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| Establishing Minnesota Residency for State Grant, State Work Study and Postsecondary Child Care Grant Programs | | | |
|--|--|---|---|
| Methods | Dependent Student | Independent Student | Documentation |
| Parents resided in MN when application completed. | Meets residency definition. In case of divorce, 'parent' is parent whose financial information is provided on FAFSA. Parents' absence from MN excused for military service, postsecondary education and missionary work if parents continue to pay MN state taxes. | Not applicable. | Parent's state of legal residence on current FAFSA is sufficient if no conflicting information in student's file. |
| Student resided in MN for 12 consecutive months without being enrolled for more than five credits per term. (Time incarcerated cannot be used to establish residency. Absence from MN during initial 12-month period excused for military service if student pays MN state taxes.) | Meets residency definition. Subsequent absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to pay taxes in MN. | Meets residency definition. Subsequent absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to pay taxes in MN. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and name/location of all colleges attended beyond high school. |
| Student met residency definition as a dependent applicant and has not since left the state of MN. | Not applicable. | Meets residency definition. This language grandfathers through independent students previously granted residency as a dependent student. | Documentation from past aid year shows student met the definition of MN resident as a dependent applicant. |

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| Establishing Minnesota Residency for State Grant, State Work Study and Postsecondary Child Care Grant Programs | | | |
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| Methods | Dependent Student | Independent Student | Documentation |
| Student is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in MN on active federal military service as defined in section 190.05, subdivision 5c. | Meets residency definition if parent(s) reside in MN for active federal military service, even if parents moved to MN after FAFSA was submitted. | Meets residency definition if residing in MN for own or spouse's active federal military service, even if student has not resided in MN for 12 months. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is active federal military service. Confirm by securing signed statement from military commander confirming student (or spouse) is stationed in MN for active federal military service. |
| Student is a dependent or spouse of a veteran who meets the residency definition used for state financial aid programs. | Meets residency definition if student is a dependent of a veteran who meets the residency definition. | Meets residency definition if student is a dependent or spouse of a veteran who meets the residency definition. | State Grant Program Student Eligibility Questionnaire directs student to self-identify to financial aid office if student is a dependent or spouse of a veteran who meets the residency definition. Confirm veteran status by obtaining DD214 form. Confirm veteran is resident by completing State Grant Program Student Eligibility Questionnaire. Confirm veteran status by obtaining DD214 or other supporting documentation from veteran. For definition of veteran, see https://www.revisor.leg.state.mn.us/statutes/?id=197.447 . |

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| Establishing Minnesota Residency for State Grant, State Work Study and Postsecondary Child Care Grant Programs | | | |
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| Methods | Dependent Student | Independent Student | Documentation |
| Student (or spouse of) who relocated to MN from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education. | Applies to dependent student, even if student has not resided in MN for 12 months. | Applies to independent student, even if student has not resided in MN for 12 months. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is disaster relocation. Confirm disaster declaration on FEMA web site: www.fema.gov/news/disasters.fema and disruption of postsecondary education at college located in disaster area via documentation from college or list of affected colleges on FEMA, NASFAA or other government web site. |
| Student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to MN and has continued to reside in MN. | Applies to dependent student, even if student has not resided in MN for 12 months. Subsequent absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to pay taxes in MN. | Applies to independent student, even if student has not resided in MN for 12 months. Subsequent absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to pay taxes in MN. | Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is refugee relocation. Confirm refugee status and date of entry to U.S. by student's immigration documentation. |

a. Residency Exceptions and Clarifications

Although a student may meet the definition of a resident student, the student is not eligible to receive funds from the State Grant, Work Study or Postsecondary Child Care Grant programs if the student is receiving tuition reciprocity benefits from another

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state while attending a Minnesota postsecondary institution. (See ‘General Eligibility Requirements Chart’ in ‘Introduction’ chapter or individual program chapters for further guidance.)

Incarcerated students must demonstrate the criteria necessary for residency prior to being incarcerated.

A family that physically resides in Minnesota near a bordering state but receives mail at a border state address (e.g., Wisconsin) will be considered to be residing in Minnesota.

A student who completes high school via home-schooling in Minnesota is considered to be the equivalent of a student who graduates from a Minnesota high school while residing in Minnesota.

If a student could not graduate from a Minnesota high school because the family resided in another state for purposes of military service, missionary work or postsecondary education, the student will be considered a resident if the family retains Minnesota as the state of legal residence.

A dependent applicant will be considered a resident if the applicant’s parent(s) originally resided in Minnesota but resided in another state at the time of application due to missionary work, military service or postsecondary education but retained Minnesota as the state of legal residence.

An applicant who does not initially reside in Minnesota for 12 consecutive months prior to attending a postsecondary school may later establish residency by remaining in the state of Minnesota for 12 consecutive months without attending a Minnesota postsecondary institution for more than five credits in any term. An applicant who establishes residency by residing in Minnesota for 12 consecutive months will lose residency status by moving from Minnesota for more than one year for purposes other than education, military or missionary service.

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An applicant will not be penalized for failure to reside in Minnesota for 12 consecutive months without being enrolled for six or more credits in any term if the student left Minnesota during the 12-month period to serve in the military, provided the student enlisted in Minnesota and continues to file Minnesota taxes.

In the case of legal separation or divorce, “parent” means the parent whose financial information was provided on the application according to the federal Title IV financial aid program guidelines.

22. Satisfactory Academic Progress

In general, satisfactory academic progress requires a student to complete a program within a specified time frame and maintain a grade point average consistent with requirements. Schools are required to follow satisfactory academic progress requirements found in federal regulations (U.S. CFR 668.16 (e)) in conjunction with the requirements in state law (Minnesota Statutes 136A.101, Subd.10). The state and federal satisfactory academic progress laws are identical with the exception of the stricter GPA requirement for juniors and seniors in state law. (The definition of satisfactory academic progress found in MS 136A.101 does not apply to the SELF loan program which requires students to be making satisfactory academic progress “as defined by the institution.”) State and federal laws define minimum standards for maintaining satisfactory progress. A school may adopt stricter standards if it chooses.

Minnesota Statutes 136A.101, Subd. 10 defines “satisfactory academic progress” as:

- by the end of a student’s second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent or academic standing consistent with the institution’s graduation requirements; and
- by the end of the first term of the third and fourth academic year of attendance, the student has a cumulative grade point average of at least a C or its equivalent.

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The statute should be implemented in the following manner:

- The school must check state satisfactory academic progress using the same increments required for federal aid programs. Title IV regulations require schools to divide a student’s program into equal evaluation periods called increments. An increment may not be longer than half the program or one 9-month academic year (regardless of the student’s enrollment status during the academic year), whichever is less. For students enrolled on a less than full-time basis at clock hour institutions, increments must be based on the payment periods used for the State Grant program as opposed to payment periods used for federal student aid programs.
- Any time an increment or “check point” falls within the student’s freshman or sophomore year, the school must only verify the student is meeting the timely completion component of the Title IV satisfactory progress policy. There is no GPA requirement within the first two grade levels for the state’s satisfactory progress policy other than the student meeting the school’s GPA requirement for those grade levels. However, the school may choose to enforce a stricter standard if it is doing so for Title IV aid programs.
- Any time an increment or “check point” falls at the end of the student’s sophomore year, the student must have a GPA of 2.0 (or its equivalent on a grading system) or academic standing consistent with graduation standards to be making satisfactory academic progress. “Consistent with graduation standards” means the student’s GPA can fall below 2.0 if the institution’s graduation requirement is less than 2.0 or the institution has a progressive GPA requirement that gradually progresses throughout the student’s course of study (e.g., 1.50 freshmen, 1.75 sophomore, 2.0 junior, 2.0 senior). During the freshman and sophomore years, this is the same GPA standard used for federal aid programs. The school must also verify the student is meeting the timely completion component of the Title IV satisfactory progress policy.
- Any time an increment or “check point” falls after the first term of the student’s junior year, the state law requires the student to have a GPA of 2.0. This is stricter than the federal GPA requirement, which still allows the GPA to fall below 2.0 during the junior and senior years if the institution’s graduation requirement allows a progressive GPA.

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The school must also verify the student is meeting the timely completion component of the Title IV satisfactory progress policy.

For transfer students, cumulative GPA may be based on course work completed at a previous institution, course work at the current institution or a combination. If the student has not yet completed a term at the current institution when satisfactory progress is being checked, the GPA may be based on all the course work completed at the previous institution or on the course work that transferred to the current institution. If the student has completed a term at the current institution, the GPA may be based solely on course work completed at the current institution or in combination with course work completed at or transferred from the previous institution.

The school must choose one method of calculating the cumulative GPA for transfer students and apply this method across all applicable state aid programs. When combining grades from the previous and current institutions, the current institution must convert previous credits and grade points onto its own grade point system.

When monitoring the timely completion component of satisfactory academic progress for transfer students, the school must either:

- count all courses that transferred to the current institution; or
- at a minimum, count all courses that will transfer to the student’s program; or
- “reset the clock” at the current institution, whereby the maximum time frame is determined by multiplying the remaining time left in the student’s program at the current institution by 150 percent. For example, if the student, upon transferring to the current institution, had two years remaining in a four-year degree program, maximum time frame would be three years (2 years remaining X 1.5 = 3 years).

With respect to credits attempted/earned under the state’s Postsecondary Enrollment Options (PSEO) program, PSEO credits taken at the current institution are treated in the same manner as any other course work taken at the current institution and should be included when determining the student’s GPA and monitoring the timely completion

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component of satisfactory academic progress. PSEO credits taken at a previous institution are treated in the same manner as any other type of course work transferred to the current institution.

If a student fails to meet the state’s satisfactory academic progress policy, the student may not continue to receive state aid unless the school’s policy grants continued aid eligibility during a probationary period. The initial probationary period may be granted on an automatic basis or may be based on an appeal for special circumstances. The school may extend the probationary period based on an appeal for special circumstances. The appeal for special circumstances is based on the professional judgment language contained in Minnesota Statutes 136A.1312. (See Statutes and Rules section of this chapter.)

The Agency does not require schools to maintain standards of satisfactory academic progress for every enrollment level. Rather, schools must have standards for the “full-time,” “three quarter-time,” “half-time” and “less than half-time” enrollment levels used for the federal Pell Grant program.

All institutions should include in their satisfactory academic progress policy a statement concerning how that institution treats non-credit, remedial and/or developmental courses (e.g., ESL, correspondence courses, internships) in the determination of satisfactory academic progress.

If student’s enrollment status is comprised of course work undertaken at two schools, satisfactory academic progress/good standing must be verified by evaluating all course work that was used to determine the student’s enrollment status, not just the course work taken at the “home institution.”

23. Student Contribution

The student contribution is the amount a student is expected to contribute towards educational costs based on treatment of the student’s income and assets under the federal need analysis formula.

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24. Veteran

The definition of veteran, as referred to in the definition of Minnesota resident used for state financial aid programs, means a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law 95-202. The active military service must be certified by the United States secretary of defense as active military service and a discharge under honorable conditions must be issued by the secretary.

25. Withdrawal Date

For schools participating in federal financial aid programs, withdrawal date is as defined in the Code of Federal Regulations (CFR) 668.22. Schools not participating in federal aid programs are subject to any definition of withdrawal date that exists in state law or, if none exists, institutional policy.



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136A.101 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 136A.095 to 136A.1311, the terms defined in this section have the meanings ascribed to them.

Subd. 2. **Office.** “Office” means the Minnesota Office of Higher Education.

Subd. 3. **Director.** “Director” means the director of the Minnesota Office of Higher Education.

Subd. 4. **Eligible institution.** “Eligible institution” means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that

- (1) is operated by this state or the Board of Regents of the University of Minnesota, or
- (2) is operated privately and, as determined by the office, meets all of the following:
 - (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state;
 - (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and
 - (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 5. **Financial need.** “Financial need” means the demonstrated need of the applicant for financial assistance to meet the recognized costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant's parents, by the federal need analysis.

Subd. 5a. **Assigned family responsibility.** “Assigned family responsibility” means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 96 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 86 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 68 percent of the student contribution.

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Subd. 6.[Repealed, 1989 c 293 s 85]

Subd. 7. **Student.** “Student” means a person who is enrolled for at least three credits per quarter or semester, or the equivalent, in a program or course of study that applies to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Subd. 7a. **Full time.** “Full time” means enrollment in a minimum of 15 credits per quarter or semester, or the equivalent.

Subd. 7b. **Half time.** “Half time” means enrollment in a minimum of six credits per quarter or semester, or the equivalent.

Subd. 8. **Resident student.** “Resident student” means a student who meets one of the following conditions:

- (1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term;
- (2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;
- (3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school and the student is physically attending a Minnesota postsecondary educational institution;
- (4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota;
- (5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;
- (6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

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- (7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education; or
- (8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Subd. 9. **Independent student.** “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 10. **Satisfactory academic progress.** “Satisfactory academic progress” means that:

- (1) by the end of a student's second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and
- (2) by the end of the first term of the third and fourth academic year of attendance, the student has a cumulative grade point average of at least a C or its equivalent.

History: 1971 c 862 s 2; 1975 c 271 s 6; 1975 c 390 s 4; 1Sp1985 c 11 s 29; 1987 c 401 s 15; 1989 c 293 s 24-26; 1991 c 356 art 8 s 1-5; 1992 c 513 art 1 s 12; 1Sp1993 c 2 art 2 s 7,8; 1995 c 186 s 119; 1995 c 212 art 3 s 17-21,59; 1996 c 398 s 30; 1997 c 183 art 2 s 3; 1998 c 384 s 7; 1Sp2001 c 1 art 2 s 8,9; 2003 c 133 art 2 s 8; 2005 c 107 art 2 s 60; 2006 c 282 art 8 s 3

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

Nothing in this chapter or in the office’s rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office’s rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial

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aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

History: 1996 c 398 s 31

136A.1313 FINANCIAL AID AUDITS.

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

History: 1996 c 398 s 32

16A.645 GOPHER STATE BONDS.

Subd. 5. **Effect on student grants.** The first \$25,000 of gopher state bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state grant program under section 136A.121. This \$25,000 is in addition to any other asset exclusion authorized under chapter 136A.

History: 1997 c 183 art 2 s 1

124D.09 POST-SECONDARY ENROLLMENT OPTIONS ACT.

Subd. 14. **Grants and financial aid prohibited.** A pupil enrolled in a post-secondary course for secondary credit is not eligible for any state student financial aid under chapter 136A.



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4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

Subpart 1. **Scope.** For the purposes of chapters 4800, 4810, and this chapter, the terms defined in this part have the meanings given them unless specifically provided otherwise.

Subp. 1a. **Academic year.** “Academic year” means a period of time in which a full-time student is expected to complete:

- A. the equivalent of at least two semesters, two trimesters, or three quarters at an institution that measures academic progress in credit hours and uses a semester, trimester, or quarter system;
- B. at least 30 semester hours or 45 quarter hours at an institution that measures academic progress in credit hours but does not use a semester, trimester, or quarter system; or
- C. at least 900 clock hours at an institution that measures academic progress in clock hours.

Subp. 2. **Office.** “Office” means the Minnesota Office of Higher Education.

Subp. 2a. **Certificate program.** “Certificate program” means a program that is:

- A. offered by an eligible school as defined in part 4830.0300, subpart 1;
- B. at least 12 quarter credits or the equivalent, or 300 clock hours for clock hour schools; and
- C. at least eight weeks long.

Subp. 3. **Dependent student.** “Dependent student” means a student who is not an independent student.

Subp. 3a. [Repealed, 23 SR 594]

Subp. 4. **Educational costs.** “Educational costs” means tuition, required fees, room and board, books, and miscellaneous expenses.

Subp. 5. **Eligible student.** “Eligible student” means a student who meets, at a minimum, all of the following requirements:

- A. has not earned a baccalaureate degree and has not entered a graduate school program as a full-time graduate student;
- B. is a resident of Minnesota;

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- C. is not receiving tuition reciprocity benefits while attending a Minnesota postsecondary institution;
- D. is enrolled or is intending to enroll as at least a half-time student in an eligible school;
- E. is in good standing and making satisfactory academic progress, as defined in Minnesota Statutes, section 136A.101, subdivision 10;
- F. is a permanent resident of the United States, if the student is not a United States citizen; and
- G. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan.

Subp. 6. **Director.** “Director” means the director of the office, or office staff who perform duties as assigned by the director.

Subp. 7. **Financial need.** “Financial need” means the amount of monetary assistance necessary for a student to meet educational costs after parental and student contributions, determined by the financial need analysis, are subtracted from the student’s educational costs.

Subp. 8. **Financial need analysis.** “Financial need analysis” means a system for analyzing a family’s financial strength to determine the expected parental and student contributions to educational costs. The system is a federally approved system or an equivalent need analysis system adopted each year by the office for the appropriate processing year.

Subp. 8a. **Full-time.** “Full-time” means the enrollment level defined in Minnesota Statutes, section 136A.101, subdivision 7a, except that for purposes of work-study grants administered under parts 4830.2000 to 4830.2600, “full-time” means enrollment in a minimum of 12 credits per quarter or semester, or the equivalent.

Subp. 9. **Independent student.** “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subp. 10. **Minnesota resident.** “Minnesota resident” means:

- A. a dependent student whose parent or legal guardian resides in Minnesota on the date of application;

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- B. a student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months without being enrolled at a postsecondary institution for more than five credits in any term prior to the date of application;
- C. a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school;
- D. a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota; or
- E. an independent student who was initially a Minnesota resident as defined in item A and who has continued to reside in Minnesota.

Subp. 10a. **Determination of student residence.** The residence of the parent whose financial information is reported in the financial need analysis determines the residence of the student.

Subp. 11. **Audit requirements.** Audit requirements means that the school must make available to the office and its authorized representatives all pertinent books, documents, papers, and records for audit and examination for three years after the last day of a fiscal year or until audit exceptions for the period are resolved.

Subp. 12. [Repealed, 20 SR 2284]

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 13 SR 128; 15 SR 1780; 16 SR 2732; 19 SR 1491; L 1995 c 212 art 3 s 59; 20 SR 2284; 21 SR 1821; 23 SR 594; 28 SR 889; L 2005 c 107 art 2 s 60

4830.0110 DEFINITIONS FOR SATISFACTORY ACADEMIC PROGRESS.

Subpart 1. **Scope.** For the purposes of parts of 4830.0200 to 4830.0700 and 4830.7000 to 4830.7900, the definitions in this part apply to satisfactory academic progress as defined in Minnesota Statutes, section 136A.101, subdivision 10.

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Subp. 2. **Academic standing consistent with the institution’s graduation requirements.** “Academic standing consistent with the institution’s graduation requirements” means the student’s cumulative grade point average must meet the cumulative grade point average required by the institution for graduation. The institution’s graduation requirement may be a fixed cumulative grade point average which is the same for all grade levels or a graduated cumulative grade point average which progresses towards the grade point average required for graduation.

Subp. 3. **Academic year.** “Academic year” means the grade level as defined by the school.

Subp. 4. [Repealed, 23 SR 594]

Subp. 5. Repealed, 23 SR 594]

Subp. 6. Repealed, 23 SR 594]

Subp. 7. Repealed, 23 SR 594]

Subp. 8. Repealed, 23 SR 594]

Subp. 9. Repealed, 23 SR 594]

Stat Auth: MS s 136A.01

Hist: 20 SR 2284; 23 SR 594

4830.0120 SCOPE.

For the purposes of this chapter and chapter 4850, the procedure in parts 4830.0130 to 4830.0195 applies to the termination of an institution’s eligibility to participate in a student financial aid program administered by the Minnesota Office of Higher Education.

Stat Auth: MS s 136A.01

Hist: 24 SR 389; L 2005 c 107 art 2 s 60

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4830.0130 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4830.0120 to 4830.0195, the terms defined in this part have the meanings given them.

Subp. 2. **Director.** “Director” means the director of the office, or office staff who perform duties as assigned by the director.

Subp. 3. **Fiscal year.** “Fiscal year” means the period from July 1 to the following June 30.

Subp. 4. **Funds.** “Funds” means money disbursed or the commitment to disburse money under any program to an institution or to an institution on behalf of students enrolled and attending the institution.

Subp. 5. **Institution.** “Institution” means a post-secondary institution that participates in a student financial aid program or student loan program administered by the office.

Subp. 6. **Office.** “Office” means the Minnesota Office of Higher Education.

Subp. 7. **Program.** “Program” means a financial aid and loan program administered by the Minnesota Office of Higher Education.

Stat Auth: MS s 136A.01

Hist: 24 SR 389; L 2005 c 107 art 2 s 60

4830.0140 TERMINATION.

The office shall terminate an institution’s eligibility to participate in a program if the institution:

- A. violates a provision of Minnesota statutes or rules governing the program, and fails to correct the violation within 90 days from the date on the written notification of the termination;
- B. refuses to allow inspection of or provide information relating to financial aid records, after written request by the office;
- C. is no longer eligible to participate in a program under part 4830.0300, subparts 1 and 2; 4830.7200; or 4850.0011, subpart 14; or

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D. is not complying with chapter 4850.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0150 TERMINATION PROCEDURE.

Subpart 1. **Termination.** The office shall provide written notice of its intent to terminate an institution's eligibility to participate in a program or programs if there is evidence that the institution has been in noncompliance based on the criteria under part 4830.0140. At the time the office provides notice of its intent to terminate, it shall also provide an institution an opportunity for a hearing pursuant to Minnesota Statutes, chapter 14.

Subp. 2. **Notification.** The office shall send the institution written notification of the termination of the institution's eligibility to participate in a program. Termination shall be effective 90 days from the date of the written notification.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0160 REQUEST FOR HEARING.

An institution may request a hearing pursuant to Minnesota Statutes, chapter 14, regarding its termination of eligibility to participate in a program. The request must be in writing and must be received by the director within 30 days of the date on the written notification of termination sent by the office. Within ten days of receipt of the request for hearing, the office shall contact the Office of Administrative Hearings to arrange a hearing date.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

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4830.0170 FINAL DECISION, ORDERS.

The director shall render a decision and order in writing following receipt of the report issued by the administrative law judge after the hearing. The final decision of the director shall take into consideration the hearing record and the report of the administrative law judge. The order of the director is the final decision in the termination of the institution's eligibility to participate in a program administered by the office.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0180 REIMBURSEMENTS AND REFUNDS.

- A. The office's director of student financial aid services or the director of the office shall require an institution to remedy a violation of applicable program statutes and rules.
- B. If an institution is required to reimburse or make other payments to the office, the director shall offset these claims against benefits or claims due to the institution.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0190 STUDENT AWARDS AFTER TERMINATION.

Subpart 1. **Payment of awards.** If an institution is terminated from participating in a program during a payment period, a student at the institution who was eligible for an award before the effective date of the termination shall receive a payment for that payment period.

Subp. 2. **Notice.** For the purposes of subpart 1, "notice" occurs:

- A. under the Student Educational Loan Fund (SELF) Program when the director or servicer advises the student, in writing, that the loan is approved; and
- B. under the state grant and campus-based programs when the director or institution has notified the student, in writing, of the award.

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Stat Auth: MS s 136A.01

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4830.0195 REINSTATEMENT.

Subpart 1. **Application.** An institution terminated from participation in a program by the office under part 4830.0140, may request reinstatement to participate in the program. The institution must wait at least 12 consecutive months from the effective date of the termination to submit a request for reinstatement. A request for reinstatement must be in writing and submitted to the director. If the institution is initially denied reinstatement, the institution must wait at least 90 days from the date of denial of reinstatement, as specified in subpart 3, to resubmit a request for reinstatement. If an institution's eligibility is reinstated after the start of the academic term, eligible students shall receive payment retroactively to the beginning of the term when the institution was reinstated.

Subp. 2. **Reinstatement requirements.** An institution's reinstatement request must include:

- A. written documentation of the process used to correct a violation, and how the violation will be prevented in the future;
- B. evidence of full repayment to the office of program funds the institution improperly received, withheld, disbursed, or caused to be disbursed; and
- C. new participation agreements with the office for all programs the institution wishes to participate in.

Subp. 3. **Response to reinstatement request.** Within 60 days of receiving the institution's reinstatement request, the office shall:

- A. grant the request; or
- B. deny the request based on evidence of noncompliance with the requirements in subpart 2.

Stat Auth: MS s 136A.01

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**Minnesota
State
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I. Introduction

This manual is written for schools participating in the Minnesota State Grant program and is subject to all subsequent changes in both federal and Minnesota state laws and regulations governing the Minnesota State Grant program.

The Agency will provide each school with an opportunity to respond to proposed changes to the State Grant program rules and regulations. Within 10 days following the adoption of new or modified program rules or regulations, the Agency will develop and distribute updated written information to schools that will later be included in this manual.

This chapter of the manual is updated on an annual basis. Schools are required to read all email and written correspondence from the Agency to keep informed of current changes during the interim. According to the Institutional Participation Agreement (Appendix 5), policy changes announced during the interim have the full force and effect of the Financial Aid Manual. All participating schools are responsible for designating a State Grant contact on campus and notifying the Agency about changes to the campus contact information; including name, e-mail address and phone number.

II. Program Objectives

The objective of the Minnesota State Grant program is to provide monetary assistance to eligible students who demonstrate financial need, in order to encourage their education at Minnesota postsecondary institutions of their choice.

III. Program Overview

The Minnesota State Grant program provides undergraduate students with assistance in meeting the cost of attendance at eligible Minnesota public and private postsecondary institutions of their choice. Each academic year, the Agency determines which schools will be eligible according to criteria in the program rules. Program funds are allocated to the Agency by the State Legislature. A small percentage of program funding is appropriated by the federal government under the

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Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) programs.

To receive a State Grant, the student must be enrolled at an eligible Minnesota postsecondary institution for at least three credits per term, demonstrate financial need (as defined in Minnesota Statutes 136A.121, Subd. 5), and meet several other eligibility requirements outlined in the ‘Eligibility Requirements’ section of this chapter. A student may receive a State Grant for any year of undergraduate study unless the student fails to meet the program eligibility requirements.

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| <p>The amount of the student’s State Grant term award is determined as follows:</p> <p style="margin-left: 40px;">State Grant Budget (tuition and fees plus living and miscellaneous expense allowance for term)</p> <p style="margin-left: 40px;">– (minus) Student Share of at least 46 percent of the State Grant Budget</p> <p style="margin-left: 40px;">– (minus) Parent Contribution or Student Contribution for Term</p> <p style="margin-left: 40px;">– (minus) <u>Pell Grant Award for Term</u></p> <p style="margin-left: 80px;">State Grant (minimum award of \$50 semester; \$33 quarter)</p> <p>(See also Appendix 8 – Shared Responsibility Formula)</p> |
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Participating schools are responsible for screening applications, calculating awards, award notification, and disbursement of awards at the campus level, and electronically reporting the application and award data to the Agency on a monthly basis to ensure that the school’s award calculations and payments fall within established tolerances.

IV. Application Process

A. Original Application

The student applies for a State Grant by completing the Free Application for Federal Student Aid (FAFSA) which can be obtained from a high school counselor, college financial aid office, or the Agency. However, most students choose to submit an electronic FAFSA on the Web at www.fafsa.ed.gov. In order to provide an electronic signature on the FAFSA on the Web, the student and parents should apply for a PIN number at www.pin.ed.gov or while completing the FAFSA on the Web.

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Because the FAFSA does not contain all of the information needed to verify State Grant eligibility, the institution must collect supplemental data on an institutional form to determine the students' history of state residency and postsecondary attendance. The institution can use the sample form created by the Agency (see Appendix 2) or include the questions from the Agency's form on its own institutional form.

Once the FAFSA processor receives the student's FAFSA, the processor calculates the Federal Methodology need analysis results and sends an electronic FAFSA record called the Institutional Student Information Record (ISIR) with results to both the Agency and any college the student listed on the FAFSA. The student is sent an output document called the Student Aid Report or SAR. If the student provided an email address on the FAFSA, the student will be sent an email containing a link to the electronic version of the SAR.

Only schools participating in federal financial aid programs can receive ISIR records from the federal processor. Therefore, students attending schools that don't participate in federal aid programs must submit their paper SAR to the school.

The processor sends ISIR records to the Agency starting in January of the preceding academic year through the last month of the current academic year. ISIR records are downloaded by the Agency on a nightly basis. Each time the Agency downloads ISIR records, the records are screened to inform schools about possible eligibility problems and data is written to an on-line hold report for each school (see Appendix 3). The school is notified by the Agency via email any time data is changed on its on-line hold report.

B. Correcting Applications

1. Correction Methods

Once a FAFSA is processed, there are several methods a student or school can use to make corrections:

- the student can make corrections on the paper SAR and resubmit the SAR to the FAFSA processor;
- the student can make corrections on the Web at www.fafsa.ed.gov; or

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- if the school participates in federal aid programs, the school can electronically submit corrections to the FAFSA processor.

2. Use of Professional Judgment

The Agency allows data elements on the student’s application to be adjusted based on the financial aid administrator exercising professional judgment, as outlined in federal aid regulations and Minnesota Statutes 136A.1312. This occurs when there are documented changes in the family’s economic status during the current or previous tax year. Examples of special cases are loss of employment, marriage, divorce, change in number of dependents, substantial medical expenses, etc. (Please refer to ‘Professional Judgment’ under ‘Common Definitions’ chapter of this manual for further instructions.)

There must be written documentation of the special situation and the resulting financial impact in the student’s file. Documentation should include a description of the special situation, the effect it will have on the student’s ability to pay for his/her education, the effect on the student’s overall financial condition, and the date the school was informed of the special situation.

Corrections/adjustments based on the financial aid administrator exercising professional judgment must be submitted to the FAFSA processor by the financial aid administrator either electronically or on the student’s paper SAR.

3. Institutional Responsibility for Correcting Applications

Schools are responsible for resolving all conflicting information on the student’s application. Institutions are required to make financial changes to a student’s application if the change will have an impact on the student contribution, parent contribution, expected family contribution, Pell Grant award or budget, or any other factor affecting the State Grant award calculation.

If a student’s FAFSA application is selected for verification by the FAFSA processor, the institution is responsible for verifying the accuracy of data provided on the student’s

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application using procedures and tolerances established for federal Title IV financial aid programs, even if the institution does not participate in those programs. The school should obtain a copy of the federal ‘Application and Verification Guide’ for the current aid year at www.ifap.ed.gov for further guidance.

C. Application and Correction Deadlines

1. Original Application Deadlines

In order to receive a State Grant award for a term, the student’s original FAFSA (or Renewal FAFSA) must be received by the federal central processing system (CPS) no later than 30 calendar days after the term’s start date. For example, if fall semester started on September 1, the original FAFSA application receipt date at the CPS must be on or before September 30. There is no requirement that the original FAFSA result in a valid output document as long as the original FAFSA is received by the CPS no later than 30 days after the term’s start date.

If the student’s original FAFSA was submitted under an incorrect social security number and the student corrects the error by submitting another FAFSA under the correct social security number, the FAFSA receipt date on the original FAFSA will be used to determine if the student meets the State Grant application deadline.

In certain cases, schools with uniform term start and end dates for all students have courses or programs which might start later in the term, or may even overlap terms. In these cases, the State Grant application deadline is 30 calendar days from the beginning of the term, rather than 30 days from the date the particular course or program begins.

Many term-based schools combine multiple mini-sessions into one term. This most commonly occurs during the summer. When mini-sessions are combined into one term, the term start date is considered the first day of the first mini-session in the term and the term end date is considered the last date of the last mini-session in the term, regardless of whether or not the student was enrolled in all mini-sessions.

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There are several schools participating in the State Grant program that do not use uniform term start and end dates for all students. This group of schools includes progressive clock hour schools using payment periods instead of terms, credit-based schools that link together sequential credit-based modules to form a “term” for each student equal to a certain number of credits, or credit-based schools with “rolling” term start and end dates that may have the first fall semester running September 1 through December 15, the second fall semester running September 15 through December 30, and so forth.

For these types of schools, the term start date used to determine the State Grant application deadline will be the first calendar day of the student’s payment period or term. When the Agency processes State Grant DDS batches for these schools, it will not be able to verify the student’s FAFSA was received at the CPS by the application deadline because only uniform term start and end dates can be stored on the State Grant database. Therefore, these schools will need to monitor each student’s term start date on campus and prevent State Grant awards from going to students who missed the application deadline.

If the student’s original FAFSA was received by the CPS after the application deadline for a term, the student cannot receive a State Grant award for that term but may be eligible for subsequent terms during that academic year. For example, if fall term started September 1 and the student’s original FAFSA receipt date at the CPS were October 15, the student could not receive a State Grant for fall term but could be awarded for the subsequent terms of that aid year.

2. Correction Deadlines

The only State Grant application transaction that is subject to the application deadline is the student’s original FAFSA for the aid year in question. If the student’s original FAFSA was received by the deadline, the school may accept any subsequent correction transaction until the school closes out its State Grant activity for the aid year, which it must do no later than August 31. Therefore, schools are allowed to package and adjust the student’s State Grant throughout the aid year, which may involve late or retroactive payment for a term, as long as the original FAFSA was received by the application date. (See ‘Adjusting

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Payments Due to Revised Award' and 'Late/Retroactive Disbursement' sections for further information.)

V. Eligibility Requirements

A. Postsecondary Institutions

At least annually, the Director of the Minnesota Office of Higher Education adopts a list of schools at which a State Grant may be used. To be eligible, a postsecondary institution must:

- be located in Minnesota;
- offer at least one program that:
 - a) is vocational or academic in nature,
 - b) leads to a certificate or degree,
 - c) is at least eight weeks long, and
 - d) involves at least 12 academic credits or 300 clock hours; and
- be one of the following:
 - a) is operated by this state or the Board of Regents of the University of Minnesota, or
 - b) is operated privately and, as determined by the office, meets all of the following:
 - (1) maintains academic standards substantially equivalent to those of comparable institutions operated in this state;
 - (2) is licensed or registered as a postsecondary institution by the office or another state agency; and
 - (3) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.
- have the necessary administrative computing capability to administer the program on campus and electronically report student data records to the Agency; and
- provide to the Agency data on student enrollment and federal and state financial aid.

To be approved, the postsecondary institution must also:

- complete the on-line 'State Grant Budget Questionnaire;'
- receive an on-site administrative overview from the supervisor of the Agency's auditing staff;

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- after the administrative review, be approved by the Agency’s Director;
- once approved, sign an ‘Institutional Participation Agreement’ which can be obtained from the State Grant unit (Appendix 5);
- attend a training session offered by the manager of the State Grant program; and
- purchase or create the software necessary to calculate federal need analysis and Minnesota State Grant awards on campus and electronically report student data records to the Agency.

Schools are also encouraged to become members of the Minnesota Association of Financial Aid Administrators (MAFAA) and subscribe to the MAFAA email listserv.

If a school is approved after the beginning of the academic year, the school will be eligible to disburse awards beginning with the term during which it obtained approval.

B. Student Eligibility

1. Comprehensive List of Eligibility Requirements

To be eligible for a State Grant, a student must:

- be a U.S. citizen or eligible non-citizen;
- be a Minnesota resident as defined in Minnesota Statutes 136A.101, Subd. 8;
- be an undergraduate student who has not received a baccalaureate degree;
- not have completed the equivalent of four academic years of full-time postsecondary attendance;
- be a graduate of a secondary school/GED recipient or be 17 years of age or older by June 30 of the academic year (high school students taking a college course under the Post-Secondary Enrollment Options program are not eligible for a State Grant);
- not owe the Agency for a State Grant overpayment;
- not be in default on a student educational loan;
- not be more than 30 days in arrears for child support payments owed to a public child support enforcement agency unless the student is complying with a written repayment plan;

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- enroll at an eligible Minnesota postsecondary institution for at least three credits (or six clock hours per week at clock hour institutions) while pursuing a program or course of study that applies to a degree, diploma or certificate at any eligible Minnesota postsecondary institution;
- on the date of disbursement, be making satisfactory academic progress and be considered in good standing for the term covered by the award payment; and
- not be receiving tuition reciprocity benefits from another state while attending a Minnesota postsecondary institution.

2. Further Information on Selected Eligibility Requirements

a. U.S. Citizenship or Eligible Non-Citizen

The student applicant must be a U.S. citizen or eligible non-citizen. (See ‘Common Definitions’ chapter for definition of “Eligible Non-Citizen.”) A school is expected to rely on procedures in place for federal Title IV financial aid programs when requesting documentation to verify a student is a U.S. citizen or eligible non-citizen, even if the school does not participate in federal financial aid programs. Schools should refer to the Student Eligibility chapter of the *Federal Student Aid Handbook* at www.ifap.ed.gov for detailed instructions.

b. Minnesota Resident

A student must be a Minnesota resident to receive a State Grant. (See ‘Common Definitions’ chapter for definition of “Resident Student.”)

c. Undergraduate Requirement

A student enrolled in an undergraduate program who has not earned a baccalaureate degree is eligible for a Minnesota State Grant. A comparable four-year postsecondary degree earned in another country, but not officially called a “baccalaureate” degree, will be considered a baccalaureate degree for purposes of the State Grant program.

A student who is enrolled in a graduate program, but has not yet earned a baccalaureate degree, is not eligible for a State Grant, even if some of the student’s

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course work is at the undergraduate level. A student enrolled in an undergraduate program is eligible for a Minnesota State Grant, even if some of the student's courses are at the graduate level. The key to determining eligibility is whether the student is enrolled in an undergraduate (eligible) or graduate (ineligible) program.

d. Four Academic Years of Postsecondary Education

(1) General

An applicant who does not have the equivalent of 12 full-time quarters or eight full-time semesters of postsecondary attendance is eligible for a Minnesota State Grant. Attendance is accumulated in units, with 96 units being the equivalent of four academic years of full-time attendance. Units are assigned as follows:

| Units Chart - Course Work Prior to July 1, 1992 | | |
|--|-----------------------------|-----------------------------|
| Term Enrollment Status | Units Assigned - Qtr | Units Assigned - Sem |
| Full-time (12+ credits) | 8 | 12 |
| 3/4-time (9-11 credits) | 6 | 9 |
| 1/2-time (6-8 credits) | 4 | 6 |
| (1-5 credits) | Bank Credits | Bank Credits |

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| Units Chart - Course Work After July 1, 1992 | | | |
|---|-----------------------------|--------------------------|---------------------------|
| Credits Per Term | Clock Hours Per Week | Units for Quarter | Units for Semester |
| 15+ | 30+ | 8 | 12 |
| 14 | 28-29 | 7.5 | 11.2 |
| 13 | 26-27 | 6.9 | 10.4 |
| 12 | 24-25 | 6.4 | 9.6 |
| 11 | 22-23 | 5.9 | 8.8 |
| 10 | 20-21 | 5.3 | 8.0 |
| 9 | 18-19 | 4.8 | 7.2 |
| 8 | 16-17 | 4.3 | 6.4 |
| 7 | 14-15 | 3.7 | 5.6 |
| 6 | 12-13 | 3.2 | 4.8 |
| 5 | 10-11 | 2.7 | 4.0 |
| 4 | 8-9 | 2.1 | 3.2 |
| 3 | 6-7 | 1.6 | 2.4 |
| 2 | 4-5 | 1.1 | 1.6 |
| 1 | 2-3 | .5 | .8 |

If the student's total credits for a term is not a whole number (e.g., 14.5 credits), the remaining percentage/fraction must be dropped (e.g., assign units based on 14 credits rather than 14.5). If a student has less than one credit per term, it would be considered a term with zero credits.

A student loses eligibility once the student's remaining units of eligibility are less than those assigned for a Level 3 term (three credits) as shown on the 'Course Work After July 1, 1992' chart. For example, if a student attending a quarter institution had accumulated 95 units, the student would not be eligible because the remaining units of eligibility (96 maximum units minus 95 accumulated units = 1 remaining unit) are less than those assigned to a Level 3 quarter (1.6 units). Therefore, a student with more than 94.4 units is no longer eligible for a State Grant at a quarter system institution. A student with more than 93.6 units is no longer eligible for a State Grant at a semester system institution.

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Institutions that disburse aid on a quarter system may exceed the maximum of 96 units by disbursing up to one more full-time quarter of aid to a student who has not accumulated more than 94.4 units. Institutions that disburse aid on a semester system may exceed the maximum of 96 units by disbursing up to one more full-time semester of aid to a student who has not accumulated more than 93.6 units.

(2) Extra Term of Eligibility for Students Who Withdraw for Active Military Service

If a student had to withdraw from college for active military service after December 31, 2002, course work taken during that term shall not count against the limit on postsecondary education used for the State Grant program. The State Grant Student Eligibility Questionnaire (Appendix 2) has been modified to identify students who may have withdrawn for active military service. If schools do not use this form, it is recommended that they incorporate language to solicit such information into any institutional forms used to determine State Grant eligibility or make arrangements for the school's registrar or VA counselor to notify the financial aid office about such withdrawals. The financial aid administrator may request documentation from the student to verify the student has withdrawn for active military service. Once the financial aid administrator identifies such a student, the administrator should notify the grant unit at the Office of Higher Education so the appropriate adjustments can be made to the State Grant database.

(3) Instructions for Reviewing Academic Transcripts

Because the FAFSA does not contain data required to determine the amount of postsecondary education the student as attempted, the school must have the student complete the State Grant Student Eligibility Questionnaire (Appendix 2) or a similar form designed by the school. If the documentation the campus collects indicates the student may have completed three or more years of postsecondary education, the institution must request and evaluate the student's academic transcripts.

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When reviewing transcripts to determine a student's units of postsecondary attendance, a separate grade transcript must be obtained from each postsecondary institution the student has attended. It is not sufficient to assign units based on a listing of transfer credits appearing on another institution's transcript because the student may have completed course work that did not transfer to the current institution.

When reviewing transcripts, units will be assigned differently depending on whether the course work took place before or after July 1, 1992.

When assigning units, all postsecondary education must be counted, including, but not limited to:

- course work taken during military service if it was taken at a postsecondary institution (as opposed to training provided by the military);
- course work taken at colleges in other states or countries;
- independent study courses;
- classes from which the student withdrew (except for active military duty after December 31, 2002), failed, received no credit, repeated or earned an incomplete;
- remedial course credit equivalencies allowed in determining enrollment status; and
- course work during terms for which State Grant awards were not available.

[Note: The school may opt to exclude course work from which the student withdrew if it took place prior to July 1, 1995. However, if the student retained State Grant aid during that term, the Agency will assign units of aid for that term.]

When assigning units, the following course work must be excluded:

- course work completed at a Minnesota postsecondary institution which is not participating in the Minnesota State Grant program and from which the student transferred no credit;

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- course work from which the student withdrew after December 31, 2002, for active military service;
- CLEP credits (classes the student “tested out” of without having to attend the class);
- PSEO (Post-Secondary Enrollment Options) course work or other similar programs that allow the student to take college course work while the student is still in high school;
- course work or training assigned CEUs (continuing education units);
- programs under eight weeks in duration (e.g., nursing assistant program);
- course work not offered by postsecondary institutions (e.g., Red Cross first aid training, Salvation Army on-the-job training, military training, etc.) even if it is later granted credit by a postsecondary institution; and
- courses the student audited.

ASSIGNING UNITS TO PRE-JULY 1, 1992 COURSE WORK

Assign units to each term in which the student was enrolled on a half-time or more basis according to the pre-July 1, 1992 units chart or transcript review worksheet (Appendix 7). Place all credits from terms that were less than half-time (less than six credits) in a separate quarter or semester “bank,” depending on the system used by that school. Translate banked credits into units according to the instructions on the worksheet. The transcript review spreadsheet will automatically assign units for credits entered on the spreadsheet. It can be downloaded from www.ohe.state.mn.us, Financial Aid Administrator Resources, Forms for Financial Aid Administrators.

ASSIGNING UNITS TO POST-JULY 1, 1992 COURSE WORK

Assign units to each term based on the exact number of credits as shown on the post-July 1, 1992 units chart or the transcript review worksheet (Appendix 7). Units should be assigned to less than half-time terms instead of banking credits. The transcript review spreadsheet will automatically assign units for credits entered on the spreadsheet. It can be downloaded from www.ohe.state.mn.us, Financial Aid Administrator Resources, Forms for Financial Aid Administrators.

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ASSIGNING UNITS FOR SUMMER 1992 TERMS

If the student was paid a State Grant for summer term 1992, assign units based on the units chart in effect for the academic year from which the funding originated. If the school cannot determine if the student was paid a State Grant for summer term 1992, units should be assigned based on the units chart in effect for the academic year in which the term started. In other words, if the summer term started before July 1, 1992, assign units based on the pre-July 1, 1992 units chart. If the term started on or after July 1, 1992, assign units based on the post-July 1, 1992 units chart.

ASSIGNING UNITS WHEN STUDENT ATTENDED MULTIPLE SCHOOLS FOR SAME TERM

If a student attends multiple schools for the same term, the credits appearing on all transcripts should be combined prior to assigning units. For example, if a student took eight semester credits at one school and 10 semester credits at another, the credits would be combined for a total of 18 credits and assigned 12 units for a full-time semester of 15 or more credits. In cases where the student attends both quarter and semester schools, credits should be converted prior to assigning units. Semester credits should be multiplied by 1.5 to convert to quarter credits. Quarter credits should be multiplied by .667 to arrive at semester credits.

CREDIT CONVERSIONS FOR PRE-1998-99 MNSCU COURSE WORK

If a school is reviewing a transcript from a MnSCU school (public two-year college or state university) and quarter credits earned for course work completed prior to the 1998-99 academic year have been converted by MnSCU into semester credits, those semester credits must be converted back to quarter credits (in other words, multiplied by 1.5) before the transcript is reviewed for state aid program eligibility.

ASSIGNING UNITS FOR INTERIM TERMS

When reviewing transcripts to determine the amount of postsecondary education a student has completed, interim terms should be treated as follows:

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- If the student attended an interim term and one or more semesters during the same academic year, the interim term should not be counted as a separate term. Rather, interim term credits should be distributed to the other semester(s) in a manner that would equalize enrollment status for both semesters. Once both semesters have enough credits to be considered full time, distributing additional interim credits to either semester will have no effect on the units assigned to each semester.
- If the total number of interim credits is not an even number, distribute only whole credits to the other two semesters rather than dividing an uneven number by two.
- If a student attended only one semester plus an interim term during the same academic year, all of the interim term credits should be distributed to the one semester.
- If the student only attended an interim term during an academic year, the interim term must be treated as a separate term.

ASSIGNING UNITS WHEN NO CREDITS LISTED FOR GRADE OF W OR F

Certain colleges do not list attempted credits on academic transcripts when a student receives a grade of W or F for the course, or when the course is a remedial course. In such cases, the financial aid administrator may use an assumed value of four credits for these types of courses without having to contact the previous college. If the student wants to appeal that assumption, the student can produce additional documentation to verify the number of actual attempted credits. This assumption should only be applied in the rare instances when no attempted credits appear for certain classes on another college's transcript. Financial aid administrators will still be expected to look up actual attempted credits for classes taken at their own institution.

INABILITY TO DECIPHER TRANSCRIPT

If a transcript lacks information needed to accurately determine the amount of postsecondary education attempted (course work not shown by term, no start or

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end dates, no credits or clock hours associated with classes, etc.), the financial aid administrator should make a good faith effort to assign units of postsecondary education. Such cases shall be taken into consideration during audits provided the school documents how the result was determined.

INABILITY TO OBTAIN TRANSCRIPTS

Cosmetology schools in Minnesota are only required to keep records for five years. If academic transcripts from any type of school are not available (closed school, no records maintained, natural disaster, civil war, etc.), the school may accept a written, signed statement from the student in which the student reconstructs his/her postsecondary period of enrollment and enrollment level. Such a statement cannot be used in lieu of transcripts in cases where the transcript cannot be released due to non-payment of institutional charges.

PROGRESSIVE CLOCK HOUR TRANSCRIPTS

If a transcript from a clock hour school does not separate course work into enrollment periods, the school should first determine the number of weeks in the student's period of enrollment. Assume continuous enrollment without breaks unless the student states otherwise. In rare cases, total clock hours may not appear on a cosmetology transcript. If the student has obtained a license in any of these fields, assume these hours: Cosmetology = 1,550 hours; Esthology = 600 hours; Manicuring = 350 hours.

Determine the student's enrollment status by dividing the total number of clock hours completed by the number of weeks in the enrollment period. Once average hours per week are known, assumed enrollment status for the entire enrollment period will be based on the following chart:

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| Enrollment Status at Clock Hour School | | |
|--|---------------------------------------|--|
| Average Clock Hours Per Week | Course Work Taken Pre-July 1, 1992 | Course Work Taken Post-July 1, 1992 |
| 30+ | Full-time | Level 15 |
| 28-29 | Full-time | Level 14 |
| 26-27 | Full-time | Level 13 |
| 24-25 | Full-time | Level 12 |
| 22-23 | 3/4-time | Level 11 |
| 20-21 | 3/4-time | Level 10 |
| 18-19 | 3/4-time | Level 9 |
| 16-17 | Half-time | Level 8 |
| 14-15 | Half-time | Level 7 |
| 12-13 | Half-time | Level 6 |
| 10-11 | N/A | Level 5 |
| 8-9 | N/A | Level 4 |
| 6-7 | N/A | Level 3 |

Determine the approximate number of quarters that could have taken place within the enrollment period by dividing the total number of weeks in the enrollment period by 12.

Determine the total units of postsecondary education by applying enrollment status to the number of quarters in the enrollment period and referring to the units charts in this chapter or Appendix 7.

| |
|--|
| <p><u>Example of Units for Clock Hour Attendance</u> Period of Enrollment was 9/1/89 to 8/26/90 = 51 weeks Total Hours Completed = 1550 Average Hours per Week = 1550/51 = 30 Assumed Enrollment Status = Full-time Number of Quarters in Enrollment Period = 51/12 = 4.25 Number of PSE Units = 4.25 FT quarters x 8 units = 34 units</p> |
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e. State Grant Overpayment

A student is not eligible to receive a State Grant if the student owes the school or the Agency for a State Grant overpayment. A student is considered to have received an overpayment if the student's total payments exceeded the allowable State Grant award or if the school or the Agency learned the student did not meet one of the program eligibility requirements after the student received a State Grant payment.

The student will become eligible retroactive to the beginning of the current academic year if the student repays the overpayment or maintains a pattern of monthly payments to repay the obligation. The student also has the option of repaying an overpayment from a previous academic year with part or all of the award for the current academic year if the student makes such arrangements with the school or the Agency's Financial Services section.

f. Student Loan Default

If a student is considered to be in default on any federal student loan or state SELF Loan, the student is not eligible to receive a State Grant as of the date the school (in the case of federal student loans) or the Agency (in the case of SELF loans) was notified of the default. For example, if the student received a fall term State Grant payment and, following disbursement, defaulted on a student loan, the student would not lose eligibility for fall term, but would lose eligibility for subsequent terms. The student will be considered eligible for a State Grant retroactive to the beginning of the current academic year if the student produces documentation from the guarantor, lender or servicer that the loan has been paid in full or otherwise satisfied (i.e., meets criteria for reinstatement of Title IV aid or state eligibility).

The school must rely upon the student's SAR or ISIR, or the federal NSLDS system to determine if the student has defaulted on a federal student loan. In the case of the state SELF Loan, schools are notified of a student's default status on the State Grant On-Line Hold Report (see 'State Grant On-Line Hold Report' section in this chapter).

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g. Child Support Arrears

Effective January 1, 1992, a student is not eligible to receive a State Grant if the student is more than 30 days in arrears for child support payments owed a public child support enforcement agency unless a student is complying with a written payment agreement or order for arrearages. The State Department of Human Services will run a child support arrears interface on a weekly basis against the State Grant database. A student's State Grant record will be marked with a hold if the student appears in the interface file. The student will lose eligibility for future State Grant payments as of the date the Office of Higher Education is notified of the delinquency.

Schools will be notified of students placed on or released from child support holds via email for the State Grant On-Line Hold Report (Appendix 3). Schools that do not participate in federal aid programs will need to check student eligibility using the State Grant web access screen (Appendix 4). Schools should prevent future State Grant payments to these students and, in some cases, may be liable for previous payments made to these students (refer to 'Responsibility for Monitoring Eligibility Requirements' section of this chapter).

To regain eligibility for a State Grant, the student must contact the county child support enforcement office and make the necessary arrangements for the worker to release the hold on the Department of Human Service's child support database. Once a student is no longer in arrears for child support payments or is complying with a written repayment agreement or order for arrearages, the student is eligible to receive a State Grant retroactive to the beginning of the current academic year. The hold will be removed from the student's State Grant record once the student shows up as released on the Department of Human Service's interface file.

h. Enrollment Status at Eligible Institution

(1) General

To receive consideration for a State Grant, a student must be enrolled at an eligible Minnesota postsecondary institution for at least three credits per term (or

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six clock hours per week at clock hour institutions) in a program or course of study that applies to a degree, diploma or certificate.

Schools that disburse aid under the progressive clock hour system must base their enrollment level definitions on the average number of hours completed by the student each week. Schools that disburse aid under the term-based system must base their enrollment level definitions on the number of credits per term.

The number of credits per term or average clock hours per week used for the various enrollment levels for the State Grant program are as follows:

| State Grant Enrollment Levels | | |
|--------------------------------------|-------------------------------------|-------------------------|
| Credits Per Term | Average Clock Hours Per Week | Enrollment Level |
| 15+ | 30+ | Level 15 (full-time) |
| 14 | 28-29 | Level 14 |
| 13 | 26-27 | Level 13 |
| 12 | 24-25 | Level 12 |
| 11 | 22-23 | Level 11 |
| 10 | 20-21 | Level 10 |
| 9 | 18-19 | Level 9 |
| 8 | 16-17 | Level 8 |
| 7 | 14-15 | Level 7 |
| 6 | 12-13 | Level 6 |
| 5 | 10-11 | Level 5 |
| 4 | 8-9 | Level 4 |
| 3 | 6-7 | Level 3 |

If the number of credits per term is not a whole number (e.g., 7.5 credits), the remaining fraction or percentage must be dropped before determining enrollment status. A student enrolled for 7.5 credits would be assigned an enrollment level based on seven credits (Level 7). The same applies to clock hour schools. If a

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student's average clock hours per week are 13.33, assign an enrollment level based on 13 hours (Level 6).

If a student drops or adds credits during a term in which the State Grant award has already been disbursed, the State Grant may have to be adjusted. For additional information, please refer to 'Adjustments to Award Based on Changes in Enrollment Level' under the 'Award Process and Formula' section of this manual.

Each institution must have written definitions of a "payment period" or "term." The enrollment level used for the State Grant program must meet the requirements shown on the preceding chart.

Certain schools (e.g., radiology programs) only offer a full-time program and require all students to enroll on a full-time basis. The Agency will not require the school to allow students to enroll on a less than full-time basis. However, the school must use the state definition of full-time for administration of the State Grant program.

(2) Pursuing Degree, Diploma or Certificate

In order to be eligible for a State Grant, a student must be enrolled in a program leading to a degree, diploma or certificate that is at least eight weeks long and consists of a minimum of 12 credits or 300 clock hours.

There is no requirement that a student must be pursuing a degree, diploma or certificate at the institution awarding the State Grant as long as the student is accepted into a degree, diploma or certificate program at any Minnesota institution eligible to participate in the State Grant program. No consortium agreement is required in these cases. (See exception under 'Awarding State Grant Beyond Associate Degree or Maximum Time Frame at Two-Year College.')

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If the student is taking course work at an ineligible school (foreign school, school located outside Minnesota), the student can only receive a State Grant if the student is pursuing a degree, diploma or certificate at an eligible Minnesota school and:

- the student registers and pays for the course work through an eligible Minnesota school; or
- the student registers and pays for the course work through an ineligible school that has a consortium agreement with the eligible Minnesota school administering the State Grant program.

(3) Excluded Course Work

Transfer credits earned during a previous term at another institution, courses that the student audited, or credits awarded from placement or CLEP tests may not be counted towards enrollment status.

(4) State Grant Versus Pell Grant Enrollment Level

In certain instances, the student's enrollment level used for the State Grant program may differ from the student's federal Pell Grant enrollment level. This occurs in cases where the school's enrollment policy used for the federal Pell Grant program freezes enrollment level as of the end of the drop/add period, regardless of any subsequent changes. Because the State Grant program requires the school to factor in enrollment changes that take place throughout the entire term, the number of credits used for State Grant may differ than what was used for the Pell Grant enrollment level. In such cases, the Pell Grant subtracted in the State Grant award calculation is based on what the Pell Grant would be for the student's State Grant enrollment level.

A chart comparing State Grant and Pell Grant enrollment levels is provided in the 'Pell Grant' section under 'Shared Responsibility Formula' in this chapter.

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(5) Remedial Course Work

Credits or credit equivalencies assigned for remedial course work may be counted towards the student's enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit remedial hours in a student's enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the total amount of remedial credits that can be used to determine the student's enrollment level,

(6) Awarding State Grant Beyond Associate Degree or Maximum Time Frame at Two-Year College

A student is eligible for a State Grant at a two-year college after earning an associate's degree if the student's course work is required for admission to a four-year degree program at another college or the student is already admitted to the four-year degree program and the course work will be applied to that program. This provision applies even if the student has exceeded the maximum time frame for satisfactory academic progress at the two-year college, since course work transferred to the four-year college will count against the maximum time frame for satisfactory academic progress at the four-year college. In instances where the student has already been accepted into a four-year degree program, the State Grant may be awarded by the two-year college or the four-year college if it is an institution eligible to participate in the State Grant program. If the eligible four-year college acts as the "home" institution, the amount of State Grant awarded must be based on the cost of tuition and fees at the institution the student is actually attending (see Example 8 in Appendix 9 for example award calculation). In instances where the student is not yet admitted into the four-year degree program or the four-year college is not eligible to participate in the State Grant program, only the eligible two-year college may award the student a State Grant.

Whichever college awards the State Grant for this type of course work must have documentation from the student that verifies the course work taken at the two-year college is required for entry into or will be applied to a four-year degree program

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at the four-year college. Such documentation should include a copy of the catalog or course schedule from the four-year college specifying pre-requisite or required course work needed for the four-year degree program and a statement of intent from the student that the course work is being taken for this purpose. State Grant awards for this type of course work are limited to no more than 30 semester or 45 quarter credits.

(7) Attending Multiple Schools for Same Term

A student attending two or more eligible schools for the same term can either:

- receive a separate State Grant at each school for up to a total of 15 credits based on the tuition and fees charged at each school; or
- receive a State Grant at one school based on the cost for the combined credits from all schools attended.

If the student receives a separate State Grant at each school attended, the award at each school would be based on the tuition and fees for the credits consumed at that school. However, the student cannot be awarded for more than a total of 15 credits in any term. The school that reports a payment to the Agency which causes the 15 credit limit to be exceeded will have its payment rejected and will need to recalculate the award to a lower enrollment level. (See Example 7 in Appendix 9.)

For example, if School A reports a fall semester payment to the Agency for eight credits and School B reports a fall semester payment for nine credits, for a total of 17 credits, School B's payment will be rejected until School B recalculates the award based on the cost for seven credits and reports the new award to the Agency.

The other option for a student attending multiple eligible schools for the same term is to have one school act as the "home school" and calculate the State Grant term award based on the cost for up to 15 credits consumed at all schools. The

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dollar amount of total tuition and fees cannot exceed the tuition and fee maximum at the “home school” for the student’s enrollment level.

The “home school” must develop a procedure that allows the school to verify the student’s attendance at all schools attended for the term. If the “home school” determines that the student withdrew or changed enrollment level or tuition and fee charges at the other schools, the “home school” must adjust the State Grant award accordingly.

For further information about the tuition and fees used to calculate the State Grant award for a student enrolled at multiple schools for the same term, see ‘Tuition, Fees and LME Used for Students Attending Multiple Schools for Same Term’ under the ‘Shared Responsibility Term Award Calculation’ section of this chapter. (See also Example 8 in Appendix 9.)

(8) Use of Interim Term Credits

Schools using a 4-1-4 calendar may use student credits earned during the interim term in determining the student’s enrollment status for State Grants. The credits earned during interim may be counted as part of the fall semester or the spring semester or may be divided between the two terms. Schools may adopt any reasonable method for allocating interim credits and determining the appropriate enrollment status for fall and spring semesters. Schools will be liable for any resulting State Grant overpayments if a student does not attend the interim term after a State Grant disbursement was made for an enrollment status that included interim term credits.

Any State Grant overpayments must be repaid within 30 days of the starting date of the interim period.

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Example:
Jane registers for 13 credits in the fall semester, three credits for the interim term and 14 credits for the spring semester. The school may count two of the interim credits toward the fall term enrollment status, making the student eligible for a Level 15 State Grant. The school may then count the remaining one credit as part of the spring semester enrollment status. If the student fails to attend the interim term, the school must retroactively recalculate the fall semester State Grant amount to a Level 13 term award and return any overpayment to the State Grant program. Prior to spring term disbursement, the school must also recalculate the spring award from Level 15 to Level 14.

(9) For Non-Standard Terms

A student’s term enrollment status does not have be adjusted if the term is shorter than the standard length of 10 weeks per quarter or 15 weeks per semester. To determine the award, refer to the ‘Awards for Summer or Non-Standard Terms’ section of this chapter.

i. Satisfactory Academic Progress

To be eligible for a State Grant, the student must be making satisfactory academic progress as described in the ‘Common Definitions’ section of this manual. (See also ‘Awarding State Grant Beyond Associate Degree or Maximum Time Frame at Two-Year College’ in this chapter.)

j. Tuition Reciprocity Restriction

A student may not receive a State Grant if the student is receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary institution.

3. State Grant On-Line Hold Report

The State Grant On-Line Hold Report (Appendix 3) is generated by the Agency and provides information to schools about student eligibility problems. The State Grant on-line hold database is updated each night when the Agency downloads Institutional Student Information Records (ISIR) to the State Grant database. Schools will be notified via email if any student data was added or updated on the State Grant on-line hold database for their

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campus. The email will contain a link to the screen schools can use to view the data and print a hold report on campus.

The State Grant on-line hold database will only contain data about child support arrears holds, SELF loan default holds, and students whose units of State Grant paid through the current aid year exceed three full-time academic years (> 72 units). The units appearing on the on-line hold database only represent units of State Grant PAID to the student and do not eliminate the school's responsibility for reviewing student academic transcripts to determine the amount of postsecondary ATTENDANCE the student has completed to date.

The Agency will load ISIR records to the State Grant database each night from the federal Central Processing System. Between January and July, the Agency will download ISIRs for two consecutive aid years. After July, the Agency will only download ISIRs for the current aid year.

The Agency will store the college codes from the student's three most recent ISIR records for the aid year on the State Grant database as well as the college's position (college choice one through six) on the ISIR. If a school's code appears in any location on the three most recent ISIRs for the student or if the school has already reported a State Grant DDS record for the student to the Agency for the current aid year, the school will be notified of any holds for that student on the State Grant database.

If the school has not yet submitted a DDS record for the student for the aid year, the 'DDS/ISIR rank' column on the report will reflect on which ISIR record the college code was listed and the position, with the first digit of the code representing which of the three most recent ISIRs contains the college code and the second digit representing the college choice position:

- 14 = most recent ISIR, 4th position
- 23 = 2nd most recent ISIR, 3rd position
- 31 = 3rd most recent ISIR, 1st position

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40-46 = was previously in on-line hold database for school but now school's code is no longer on the three most recent ISIRs

If the school has submitted a DDS record for the student for the aid year, a code of 'DDS' will appear in the 'DDS/ISIR rank' column and ISIR rank data will not be displayed.

The 'DDS/ISIR rank' column was designed to help schools prioritize students. Schools may wish to spend more time reviewing hold data for students with a 'DDS' code in this column since those students are presumably attending the current institution. With respect to ISIR rank codes, the higher the value the less likelihood there is the student will actually attend the institution.

The school's designated State Grant contact will be notified via email when any of the student hold data changes for that school. The email will contain a link to the State Grant on-line hold report. Email notification will occur in the following instances:

- ISIR or DDS record loaded to State Grant database for a student who has a hold problem and has not yet had hold information written to the State Grant on-line hold database for that school; or
- hold information changes after hold information has already been written to the State Grant on-line hold database for that school (e.g., hold is released) regardless of whether or not a new ISIR or DDS record has been received.

It will be the school's responsibility to notify the Agency's grant unit about any changes to the email address for the designated State Grant contact at the school.

The school can access the State Grant On-Line Hold Report by logging into the State Grant web access screen, which is the same screen schools have been using to query hold and units data for individual students on the State Grant database. Once logged into the screen, the school can choose to access individual student data (State Grant Student Web Access Screen) or the hold report (State Grant On-Line Hold Report). The same username

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and password is used for both features. If a school forgets its password, the school should contact the Agency's grant unit for assistance.

Once the school is logged onto the State Grant On-Line Hold Report, the school will choose the date range for the hold report. The default date range will be the first date the on-line hold database was created for the current aid year through the current date, producing a comprehensive cumulative report for the year. If the school would like to produce a report for a narrower date range, the school can adjust the dates accordingly. When the on-line hold report is first operational, schools will want to select a report using the default date range. After that point, schools may want to choose shorter date intervals and review only the most recent information loaded to the on-line hold database.

After the date range is selected, a hold report will be generated displaying all hold data updated during that period. The default sort option produces an alphabetical report by student last name. A school has the option of changing the sort option to SSN, Aid Year, DDS/ISIR rank or Last Transaction date by clicking on those column headings. If a school would like to sort by any other field appearing on the report, the data can be copied from the on-line report and pasted into any spreadsheet software for sorting. Once the data is sorted by the chosen field, the school can print the entire report or select a portion of the report and print that selection. Schools should print using landscape option for all fields to appear on one page. If printed directly from the on-line report, headers will only appear on the first page. However, schools can copy the data to spreadsheet software, which allows headers on every page.

Because the State Grant On-Line Hold Report is generated from a cumulative on-line hold database, there will be no need for schools to maintain paper printouts of the report throughout the aid year since the data will be available on-line. Once a student appears in the on-line hold database, the student's record will remain on the report.

Many fields appearing on the report will have a 'help' pop-up box schools can access for a description of that field. It is important to note the distinction between the hold *start* date

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and the hold *notification* date appearing on the report. The hold start date is the date the student becomes ineligible. The notification date is the date the hold data was first written to the on-line hold database. For example, a student could have been placed on a child support hold in January 2003 (hold start date) but the hold would not be written to the on-line hold database until the first ISIR or DDS record was received for the current aid year (notification date). In such cases, the school must collect all State Grant payments made after the hold start date from the student, but the school is not liable for repaying the first term payment made after the hold start date from its own funds if it was made before the hold notification date.

The hold start date and hold end date will continue to appear on the report regardless of the student's hold status and will represent the most recent date the student was placed on or released from a hold. The hold notification date will always represent the date the student's most recent hold was written to the on-line hold database. [Note: Because the on-line hold report was first initiated during the middle of the 2004-2005 aid year, the hold notification date for holds placed on the student's 2004-2005 record in the past will represent the day the on-line hold database was first created rather than the actual date the school was notified of the hold under the former system of paper hold rosters.]

Unlike the former paper *Initial Eligibility Problem Roster*, units appearing in the 'Units' column represent units of State Grant paid to the student through the current aid year, including the current school, rather than units of State Grant paid during previous aid years. Though the units appearing on the on-line report may change throughout the aid year, the school will only be notified via email when the units exceed or fall below 72 units, which is the equivalent of three full-time academic years. If a school wants to view more detailed units information for a particular student (units by aid year and campus), the school can click on the student's name and toggle to the State Grant student web access screen and then hit the 'Back' key to go back to the hold report.

It will be common for a student to appear twice on the on-line hold report if the State Grant database has a DDS or ISIR record for the student for both consecutive aid years. In

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most cases, the hold data appearing for the student will be identical for both years but the amount of units appearing in the ‘Units’ column may differ by aid year.

If schools would like additional instructions on how to access the State Grant On-Line Hold Report, they can access an audio/video tutorial developed by the Agency at www.ohe.state.mn.us/mPg.cfm?pageID=346 or contact the grant unit for assistance.

4. Use of State Grant Web Access Screen to Determine Hold Status

The State Grant web access screen allows schools access to student hold data on the State Grant database. The hold data is current as of the time the school is accessing the student’s record. Therefore, schools will be able to check hold data on students prior to making a State Grant disbursement.

Schools can access the State Grant web access screen at <https://www.ohe.state.mn.us/SSL/SG/index.cfm>

Each school participating in the State Grant program will be assigned a username and password to gain access to the State Grant web access screen. To log on to the screen, the user would enter the school’s six-digit Title IV school code for the username on the screen. If the school is not participating in federal financial aid programs, the school would use the six-digit code assigned by the Agency’s grant unit. The user would then enter the school’s password. If the school has misplaced its password, the user should contact the Agency’s grant unit for assistance.

The security system for the State Grant web access screen will only allow a school to access a student’s record if that school is listed on the student’s ISIR for the current aid year. If the school’s code is NOT listed on the student’s ISIR for the current aid year, the following message will appear:

“SCHOOL NOT LISTED ON CURRENT YEAR ISIR - CANNOT ACCESS STUDENT RECORD”

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If the Agency does not have the student's ISIR record on file for the current aid year, the school will receive the following error message:

“NO CURRENT YEAR RECORD ON FILE FOR STUDENT”

Since the Agency downloads ISIRs every night, the data appearing on the State Grant web access screen should be current.

If the school passes the school code clearance and accesses a student's record, information about any existing holds, past history of State Grant units paid (broken out by aid year and college), and the enrollment status and accepted payments for the current aid year will be displayed on the screen. (A sample copy of the State Grant web access screen is provided as Appendix 4).

At the top of the screen, the user will see the date of inquiry and the student's name and social security number.

Area 1 on the screen will display any holds currently on the student's file. If a student has a SELF default or child support hold, the date the hold was placed on the student's file (that is, the date eligibility was lost) is also displayed. Otherwise, just a description of the hold code is displayed. Holds appearing on this report are controlled by the Agency and require consultation with the grant unit staff if the school believes the data is incorrect. If no holds appear, it means there are currently no holds on the student's record.

Area 2 on the screen shows units of State Grant aid paid to the student during previous aid years broken out by aid year and school. The user may encounter the following message under the School Name column: "School Name Not Found. Please Contact the Grant Unit." This means the school code on the student's history record didn't translate into a school name. Schools should contact the grant unit for assistance in determining the school name.

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Historical records for the State Grant system contain information about units of State Grant aid PAID to the student during previous aid years as opposed to the units of postsecondary education attendance the student has attempted. Schools are still expected to request and review academic transcripts from students to determine the amount of postsecondary education the student has attended. However, the State Grant web access screen may be a helpful tool for solving discrepancies, particularly for cases when the Agency’s units of State Grant paid to the student are greater than the units of postsecondary education attended derived from the school’s review of academic transcripts.

Area 3 on the screen shows enrollment and accepted payment information at any school that has reported in a DDS record for the student for the current aid year, including the school accessing the record.

Schools should print and save a copy of the student’s State Grant web access screen to document the student’s eligibility at a certain point in time for auditing purposes.

5. Liability for Monitoring Eligibility Requirements

Because the FAFSA does not contain all of the information needed to verify State Grant eligibility, the institution must collect supplemental data on an institutional form, especially with respect to monitoring residency and four years of postsecondary education. The institution can design its own institutional form, collect data from other sources (e.g., records, etc.) or use the sample form created by the Agency (see Appendix 2).

If the institution’s form indicates there is reason to believe the student completed three or more full-time academic years of postsecondary education, the institution must request and evaluate the student’s academic transcript(s) according to the ‘Four Academic Years of Postsecondary Education’ section of this chapter.

If funds are withheld either by the school or the Agency because the student owes a State Grant overpayment, is in default on a student loan or is more than 30 days in arrears for

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child support payments, once the obligation is repaid or otherwise satisfied, the student will be eligible to receive the State Grant retroactive to the beginning of the academic year.

If the school had documentation on campus that the student did not meet an eligibility requirement and the school disbursed the State Grant award to the student, the school will be responsible for reimbursing the State Grant program from its own funds if it cannot collect the overpayment from the student.

If a school fails to run an eligibility check (child support, past overpayment, four years of aid, SELF default) against the State Grant database prior to disbursing State Grant funds to a student, the school will be liable for repaying rejected payments from its own funds if it cannot collect the overpayment from the student, with the exception of the initial term payment which can be turned over to the Agency as an accounts receivable at the end of the aid year, after making diligent efforts to bill the student.

6. Monitoring Program Eligibility Requirements During the School Year

All schools are responsible for establishing a procedure to inform the financial aid office of all changes in a student's status that may affect the student's eligibility for a State Grant during an academic term. One means of ensuring this is to have the registrar's office (or its counterpart) routinely inform the financial aid office when any student changes enrollment status, ceases to be making satisfactory academic progress, withdraws from school, produces additional transcripts that document four years of postsecondary education, etc. The Agency strongly recommends that all students be required to contact the financial aid office when dropping to less than full-time status or withdrawing from school.

VI. Award Process and Formula

A. Shared Responsibility Formula

The State Grant is calculated using the Shared Responsibility Formula (see Appendix 8) which assigns responsibility for college costs to the student, family and government. A detailed description of its components follows.

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1. State Grant Budget

The budget used in the Shared Responsibility term award calculation consists of:

- a uniform nine-month living and miscellaneous expense allowance (LME) set by the Legislature each academic year prorated for term length and then for enrollment level; and
- the lesser of:
 - the school’s annual full-time (30 semester credits or 45 quarter credits) average tuition and mandatory fees prorated for term length and then for enrollment level, or
 - the annual nine-month tuition and fee maximum set by the Legislature prorated for term length and then for enrollment level.

a. Living and Miscellaneous Expense Allowance (LME)

A uniform nine-month annual LME is set by the Legislature for each academic year which represents costs for books, transportation and other living expenses. When calculating the Shared Responsibility term award calculation, the LME is first adjusted for term length by multiplying by .50 for a semester (or a clock hour school with an academic year divided into two payment periods) and by .3333 for a quarter (or a clock hour school with an academic year divided into three payment periods) and rounding the result. If the student is enrolled for fewer than 15 credits, the term LME is then reduced by multiplying the term LME by the number of credits for which the student is enrolled divided by 15. For example, a student enrolled for 12 credits (or 24 clock hours per week) would have the term LME prorated by 12/15ths, or 80 percent, and the result rounded. The term LME is NOT increased if the student enrolls for more than 15 credits. (For further information, see Appendix 8 Shared Responsibility term award calculation.)

(1) Pro-Rated LME for Selected Clock Hour Schools

If a progressive clock hour school defines its academic year as less than 1,100 hours, the uniform nine-month annual LME set by the Legislature must first be

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prorated to compensate for the shorter enrollment period before it is adjusted for term length and enrollment level by using the following formula:

| |
|---|
| $\text{Uniform Nine-Month LME} \times \frac{\text{Clock Hours in School's Academic Year}}{1,100 \text{ hours}}$ |
|---|

(2) LME for Incarcerated Students

Incarcerated students are eligible to receive a State Grant if they meet the program eligibility requirements. However, according to program statutes, the LME must be set to zero for incarcerated students.

b. Tuition and Fees

The tuition and fees used in the Shared Responsibility term award calculation are the lesser of the school's average annual full-time tuition and fees prorated for term length and then for enrollment level or the annual tuition and fee maximum set by the Legislature for each academic year prorated for term length and enrollment level.

(1) Tuition and Fee Maximum

The Legislature sets a separate nine-month annual full-time tuition and fee maximum for students enrolled in a four-year degree program and another for students enrolled in a two-year degree or shorter credential program. The annual full-time tuition and fee maximum for the program the student is enrolled in for the term must be adjusted for term length by multiplying by .50 for a semester or by .3333 for a quarter and rounding the result. If the student is enrolled for fewer than 15 credits, the term tuition and fee maximum is reduced by multiplying the term maximum by the number of credits for which the student is enrolled divided by 15. For example, a student enrolled for 12 credits would have the term tuition and fee maximum prorated by 12/15ths, or 80 percent, and then rounded. The term tuition and fee maximum is NOT increased if the student enrolls for more than 15 credits. (For further information, see Appendix 8 Shared Responsibility term award calculation.)

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If a student is simultaneously enrolled in both a two- and four-year degree program, the tuition and fee maximum used to calculate the State Grant will be based on the nature of the student's program. If the content area for both the two- and four-year program is identical or very similar, where the majority of credits from the two-year program will be applied to the four-year program, the school should use the four-year tuition and fee maximum to calculate the State Grant award for the term. For example, some students may wish to earn an A.A. degree at the midpoint of a B.A. degree program.

If the content area of the two- and four-year degree programs is quite different, where the majority of credits from the two-year program will not be applied to the four-year degree program, the school must either:

- use the two-year tuition and fee maximum until the student completes the two-year program; or
- manually calculate the State Grant so that both the two- and four-year tuition and fee maximums are applied to the credits from each program. If certain credits will count towards both programs, they should be considered two-year program credits. [Note: When reporting the award to the Agency on the DDS system, the school should report a '4' in the field that indicates which tuition and fee maximum was used to calculate the award.] An example of this option follows.
 - EXAMPLE: Jane Doe is enrolled in both a two-year Medical Assistant A.A.S. degree program and a four-year degree completion program for a B.S. in Organizational Management. Jane has eight credits that will apply to the two-year program and seven credits that will apply to the four-year degree program for a total of 15 credits. The applicable tuition and fee maximum for each program would be prorated to the student's enrollment level as follows: Annual full-time two-year tuition maximum $\$5,808/2 = \$2,904$ for full-time semester X $8/15$ ths or $.533 = \$1,548$. Annual full-time four-year tuition maximum $\$9,838/2 = \$4,919$ for full-time semester X $7/15$ ths or $.467 = \$2,297$. The prorated tuition and fee maximums

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would then be compared to the tuition and fees charged by the school and the lesser of the two would be added to the full-time LME to construct the State Grant award calculation budget. The tuition and fees charged by the school are the annual full-time tuition and fees reported by the school on the Agency's on-line State Grant Budget Questionnaire, prorated to the student's enrollment level. If the annual full-time tuition and fees were \$10,000, then the amount for eight credits would be $\$10,000/2 = \$5,000$ for full-time semester $\times 8/15$ ths or $.533 = \$2,665$. The amount for seven credits would be $\$10,000/2 \times 7/15$ ths or $.467 = \$2,335$. Because the tuition and fees charged exceed the tuition and fee maximum for each program, the school would add the eight credit two-year tuition and fee maximum of \$1,548 to the four-year maximum for seven credits, \$2,297, for a combined tuition and fee maximum of \$3,845. This would then be added to the LME of \$3,100 for a full-time semester resulting in a State Grant term award calculation budget of \$6,945.

If a student changes programs within the academic year, the appropriate tuition and fee maximum must be used to calculate the award for each term. If a student changes programs within a term, the State Grant award for that term must be recalculated using the tuition and fee maximum for the student's current program and any resulting overpayments recovered or additional funds due to the student disbursed.

Schools cannot direct students who would normally enroll in a two-year degree program to enroll in a four-year degree program simply to take advantage of the higher four-year tuition and fee maximum if the students have no intention of completing a four-year degree. The Agency auditors will be reviewing institutional records to determine if there is a pattern of students changing from a four-year degree program to a two-year program after completing their first two academic years.

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(2) Average Tuition and Fees

To determine the amount of tuition and fees used to calculate the student's State Grant term award, the school must compare its average annual tuition and fees prorated by term length and the student's enrollment level to the appropriate tuition and fee maximum for the student's degree program prorated by term length and enrollment level and then select the lesser of the two.

The average tuition and fees for the student's enrollment level are derived from the school's annual full-time average tuition and mandatory fees which are then prorated for term length and student enrollment level. The annual full-time average tuition is the weighted average tuition the school charges a student for two full-time (15 credits) semesters, three full-time quarters, or for the number of hours in a clock hour school's definition of academic year. For public colleges, the standard resident tuition rate is used for the annual average tuition. For schools where tuition rates vary by program, a weighted average is used to determine the annual full-time average tuition as shown in the following example.

| Program Name | Cost for Two Full-Time Semesters | Percent of Student Population in Program | Weighted Tuition |
|--|----------------------------------|--|------------------|
| Admin Assistant | \$5,000 | 75% | \$3,750 |
| Legal Secretary | \$6,000 | 25% | \$1,500 |
| Weighted Average Annual Tuition | | | \$5,250 |

Once the annual full-time average amount is known, the school must add on the amount of annual full-time mandatory fees charged to all full-time students. Annual full-time mandatory fees would consist of mandatory fees charged to all full-time students for two full-time (15 credits) semesters, three full-time quarters, or for the number of hours in a clock hour school's definition of academic year.

Mandatory fees charged to all full-time students cannot include mandatory fees for the purchase or rental of books, as book charges are considered a component in

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the Living and Miscellaneous Allowance (LME) used in the award calculation. The same applies to mandatory fees for the purchase of equipment and supplies required for all students (such as cosmetology supply kits and computers) in cases where the student retains ownership, as these items also fall under the LME.

However, if the school charges a rental fee for equipment and supplies to all students and the school retains ownership, such fees are allowable general fees used in the State Grant calculation.

The annual full-time average tuition and annual full-time mandatory fees are then prorated for term length by multiplying by .50 (semester) or .3333 (quarter) and the result is rounded. If the student is less than full-time for the term, the tuition and fees are prorated for enrollment level by dividing the student's number of credits by 15. For example, a student taking 12 credits would have the full-time term tuition and fees prorated by 12/15ths, or 80 percent, and the result rounded. The tuition and fees are then compared to the appropriate tuition and fee maximum for the student's program and the lesser of the two are used in the term award calculation. (See award calculation examples in Appendix 9.)

(3) Tuition Waivers

Because a uniform amount of average tuition and mandatory fees is used to calculate State Grants for all students enrolled at the same institution, any tuition waivers applied to individual student tuition and fee charges are not subtracted from the tuition and fees used to calculate the State Grant award for the student, nor are any other types of scholarships or resources applied to tuition and fee charges.

(4) Determining Tuition and Fees for Clock Hour Payment Period

To determine the amount of tuition and fees for a clock hour payment period, the school would first divide the total tuition and fees for the program by the number of clock hours in the program to determine the hourly tuition and fee cost. The

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hourly cost would then be multiplied by the number of hours in the payment period to determine the tuition and fees for the payment period. The payment period tuition and fees would then be compared to the tuition and fee maximum for the term/payment period, prorated for the student's enrollment level, and the lesser of the two would be used to calculate the State Grant award for the payment period. (See award calculation Examples 9 and 10 in Appendix 9 for further details.)

In cases where the remaining hours in the student's program are less than the number of hours in the payment period, the school should still calculate the award based on costs for the entire payment period and then prorate the award. (See 'Adjusting Payments for Clock Hour Programs When Remaining Program Hours are Less Than the Number of Hours in Payment Period' under the 'Disbursement Process' section of this chapter for further information.)

c. Tuition, Fees and LME Used for Students Attending Multiple Schools for Same Term

For information on enrollment requirements for students attending multiple schools for the same term, please refer to the 'Attending Multiple Schools for Same Term' and 'Enrollment Status at Eligible Institution' sections under 'Student Eligibility' in this chapter.

If a student opts to receive a separate State Grant at each school attended during a term, each school must calculate the student's State Grant term award based on the average tuition and mandatory fee costs for the credits consumed at that school. The tuition and fee costs would be subject to the tuition and fee maximum for the degree program the student is enrolled in at each school, which would be prorated for the student's enrollment level if the student enrolled for fewer than 15 credits. The living and miscellaneous expense allowance (LME), prorated for the number of credits consumed at the school, would be added to the tuition and fees to arrive at the State Grant term award calculation budget. (See award calculation Examples 7 and 8 in Appendix 9 for further details.)

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A student cannot be paid for more than a total of 15 credits of tuition and fees and LME when attending multiple schools for the same term. If, for example, School B knows that School A already awarded the student a State Grant for 10 credits, School B should limit the tuition, fees and LME used in its award calculation to five credits. If School B is not aware of the student attending the other school and awards the student for more than five credits, School B's payment will be rejected when reported to the Agency and School B will need to recalculate the student's State Grant so it is based on tuition, fees and LME for no more than five credits. If the school cannot collect the overpayment from the student, the school is NOT liable for repaying the State Grant overpayment from its own funds. The school would turn over the overpayment case to the Agency at the end of the award year for collection. To avoid overpayments, schools can use the Agency's State Grant web access screen (Appendix 4) to determine if the student has received a State Grant disbursement at another school for the same term.

Another option for a student attending multiple schools for the same term is to have one school act as the "home" school and award the student a State Grant based on the combined costs for the total credits consumed at all schools, not to exceed 15 credits per term. The dollar amount of total tuition and fees used is subject to the tuition and fee maximum for the degree program in which the student is enrolled at the "home school," which is based on 15 credits and is not increased for students taking more than 15 credits. The LME used in the award calculation at the "home school" is based on combined credits but cannot exceed the LME for 15 credits.

In cases where the student is attending multiple schools within the same system (University of Minnesota, Minnesota State Colleges and Universities, private four-year college, private two-year college), the tuition and fees used in the State Grant calculation shall be the tuition and fees charged by the "home" school for the student's combined credits from all schools, up to a maximum of 15 credits. For example, if the student were taking 10 credits at a state university (home school) and five credits at a

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community college, the State Grant would be based on the cost of 15 credits at the state university.

Conversely, if the student is attending multiple schools in different systems, the “home” school must calculate the State Grant using the tuition and fees charged by each institution (see award calculation Example 8 in Appendix 9) up to a maximum of 15 credits. Financial aid administrators should use the Multiple School Term Award Calculation Spreadsheet developed by the Agency for this purpose. The spreadsheet is posted on the Agency’s web site (www.ohe.state.mn.us) under Financial Aid Administrator Resources, Forms for Financial Aid Administrators.

2. Student Share

The student is expected to contribute a share of the budget used in the Shared Responsibility term award calculation from the student’s resources, such as employment, savings or private scholarships. If the term budget (tuition, fees plus LME) has been adjusted due to less than full-time enrollment, the student is expected to contribute a share of the adjusted term budget.

Currently, the student share of the State Grant budget is set in statute at 46 percent. However, the statute also gives the Agency the authority to adjust this percentage on a term-by-term basis if awards must be rationed to address a projected funding shortfall.

3. Parent Contribution

For dependent applicants, the nine-month annual parent contribution, as determined by the Federal Methodology need analysis formula, is used in the State Grant award calculation. The annual contribution is first adjusted for term length by multiplying by .50 (semester) or .3333 (quarter) and rounding the result. The result is then multiplied by .96 and rounded. The resulting parent contribution is not adjusted if the student is enrolled for more or fewer than 15 credits (see Appendices 8 and 9).

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In the case of two need analysis results (primary vs. secondary), the lowest parent contribution should be used.

The State Grant statute gives the Agency the authority to add a percentage surcharge to the parent contribution on a term-by-term basis in order to address any projected funding shortfalls. For example, if a 10.7 percent surcharge were added to the parent contribution for spring semester, the surcharge would be applied in the following manner:

| | |
|---|---------|
| Annual Nine-Month Federal Methodology Parent Contribution | \$1,000 |
| Parent Contribution Prorated to Term Length for Semester | \$ 500 |
| Term Parent Contribution Prorated to 96 Percent | \$ 480 |
| 10.7 Percent Surcharge added to Prorated Term Parent Contribution | \$ 531 |

4. Student Contribution

The nine-month annual Federal Methodology need analysis student contribution, or EFC, is subtracted as the student contribution in the State Grant award calculation for independent students. No student contribution is subtracted for dependent students. The contribution is first adjusted for term length by multiplying by .50 (semester) or by .3333 (quarter) and rounding the results. Only 68 percent of the term student contribution is subtracted in the State Grant award calculation for independent students without dependents other than a spouse. Only 86 percent of the term student contribution is subtracted in the State Grant award calculation for independent students with dependents other than a spouse. The term contribution is not adjusted if the student enrolls for more or fewer than 15 credits (see Appendices 8 and 9).

When choosing between two state need analysis formula results (primary vs. secondary), the lowest student contribution, or EFC, should be used.

The State Grant statute gives the Agency the authority to add a percentage surcharge to the independent student contribution on a term-by-term basis in order to address any projected funding shortfalls. For example, if a 10.7 percent surcharge were added to the independent

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student contribution for spring semester, the surcharge would be applied in the following manner:

| | |
|--|---------|
| Annual Nine-Month Federal Methodology Student Contribution/EFC | \$1,000 |
| Student Contribution Prorated to Term Length for Semester | \$ 500 |
| Term Student Contribution Prorated to 68 Percent* | \$ 340 |
| 10.7 Percent Surcharge Added to Prorated Term Student Contribution | \$ 376 |
| *The Student Contribution is prorated to 68 percent for independent students without dependents and 86 percent for independent students with dependents. | |

5. Pell Grant

The amount of the federal Pell Grant for which the student would be eligible based on the student's Expected Family Contribution (EFC) and State Grant enrollment status is always subtracted in the State Grant formula, even if the school or program does not participate in the federal Pell Grant program and even if the student does not actually receive the Pell Grant (e.g., misses application deadline, does not meet eligibility requirement). The student's actual federal Pell Grant is determined by the Federal Methodology Expected Family Contribution (EFC), the cost of attendance used for federal aid programs, and the student's enrollment level for the federal Pell Grant program and is calculated in accordance with the U.S. Department of Education's federal Pell Grant disbursement schedule. However, when calculating a State Grant, the Pell Grant amount subtracted in the State Grant award calculation will always be based on the student's enrollment status for the State Grant program and how that corresponds to the various enrollment levels for the federal Pell Grant program as shown in the following table:

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| State Grant Enrollment Level | Pell Grant Subtracted in State Grant Calculation |
|---------------------------------------|--|
| 15+ credits/30 clock hours per week | Full-time |
| 14 credits/28-29 clock hours per week | Full-time |
| 13 credits/26-27 clock hours per week | Full-time |
| 12 credits/24-25 clock hours per week | Full-time |
| 11 credits/22-23 clock hours per week | 3/4-time |
| 10 credits/20-21 clock hours per week | 3/4-time |
| 9 credits/18-19 clock hours per week | 3/4-time |
| 8 credits/16-17 clock hours per week | 1/2-time |
| 7 credits/14-15 clock hours per week | 1/2-time |
| 6 credits/12-13 clock hours per week | 1/2-time |
| 5 credits/10-11 clock hours per week | Less than 1/2-time |
| 4 credits/8-9 clock hours per week | Less than 1/2-time |
| 3 credits/6-7 clock hours per week | Less than 1/2-time |

For example, if a student’s enrollment level for State Grant were 15 credits but the enrollment level for federal Pell Grant were only 11 credits, the full-time Pell Grant would still be subtracted in the State Grant award calculation even if the student were actually receiving a 3/4-time Pell Grant. (See ‘State Grant Versus Pell Grant Enrollment Level’ in this chapter.)

With respect to awards for crossover terms (start before and end after July 1), the State Grant and federal Pell Grant must always be based on need analysis results for the same aid year.

To see examples of how the federal Pell Grant is subtracted in the State Grant award calculation, please see Appendix 9.

B. Definition of Academic Year/Period of Award

1. Definition of Academic Year

The definition of “academic year” for purposes of award calculations is provided in the ‘Common Definitions’ chapter of this manual. That definition of academic year must be used in all adjustment calculations involving State Grant, such as proration of awards. Although Title IV policy allows the institution to use a minimum academic year of 30

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weeks (26 weeks for clock hour institutions) in its formulas, if the institution's academic year is longer than 30 weeks, the actual number of weeks in the academic year must be used in State Grant adjustment calculations.

A different definition of academic year is used to monitor satisfactory academic progress and can also be found in the 'Common Definitions' chapter.

2. Period of Award / Awards for Fourth Quarter/Third Semester

Students may receive a State Grant for up to four consecutive full-time quarters or three consecutive full-time semesters within a fiscal year (July 1–June 30). The term award for the fourth quarter or third semester is calculated in the same manner as for other terms. The decision to award the student for the fourth quarter or third semester within the aid year is not optional.

a. Transfer Students

A student who attends more than one school during the fiscal year may also receive a State Grant award for the equivalent of four full-time quarters or three full-time semesters.

A student who attends different schools during the aid year may be awarded for up to four full-time quarters (60 quarter credits) or three full-time semesters (45 semester credits) based on the awards calculated at the different schools, even if the award amounts differ. For example, a student could receive two full-time quarter disbursements at School A based on School A's award calculation and two full-time quarter disbursements at School B based on School B's award calculation. The same logic applies to a student attending different schools on the semester system. A term in which the student is enrolled for more than 15 credits should count only as 15 credits against the limit.

A student who transfers between schools on the quarter and semester system is also limited to receiving State Grant payments for up to 60 quarter credits or 45 semester

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credits during the fiscal year. Credits from the previous school must be translated to credits at the current school as shown in the following chart.

Determining Eligibility For Transfer Student

Example:

School A awards student for two full-time quarters = 30 quarter credits
 School B awards student for one full-time semester = 15 semester credits

To determine the award for a second semester at School B, convert quarter credits (30) to semester credits ($30 \times .67 = 20$). Total semester credits completed = 35. Because a student may not receive funding for more than 45 semester credits during the fiscal year, School B could award the student for up to 10 more semester credits at School B for the second semester.

Schools may use the Agency's State Grant web access screen to determine whether a student has been paid a State Grant at another school for the same aid year (see Appendix 4). This information also appears on the *Roster of Accepted* or *Roster of Rejected Awards/Payments* (see Appendices 20 and 21).

C. Notification of Awards

Schools are responsible for notifying students about their State Grant eligibility and award amount. The award notice should contain a statement which informs recipients about the impact of enrollment status on the State Grant award. The State Grant award notification may be incorporated into the school's standard financial aid award notice.

Schools are also responsible for providing information to students about all forms of financial aid administered by the institution and the availability of additional State Grant aid for a fourth full-time quarter or third full-time semester during the fiscal year.

D. State Grant Award Advisory Roster

Each time a school submits a batch of DDS records, the Agency checks the accuracy of awards and payments and generates a set of output reports for the school. The *Roster of Rejected Awards/Payments* (Appendix 16) and the *Award Detail Error Roster* (Appendix 17)

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contain information about awards that fall outside established tolerances. The school is responsible for resolving errors shown on these reports.

E. Awards for Summer or Non-Standard Terms

Students may receive a State Grant award for up to four full-time quarters or three full-time semesters within a fiscal year. The fourth quarter or third semester will often times take place in the summer and overlap fiscal years. Such terms are referenced to as “crossover” terms.

1. Origination of Funding

If a term does not overlap two aid years, it must be paid from the aid year in which it occurs.

When a crossover term overlaps two aid years (begins before and ends after July 1), funding may come from either aid year. The institution may decide from which aid year to draw funds on a student-by-student basis.

The need analysis, laws, rules and policies in place for the aid year selected must be applied when calculating the award and must also be applied to the other financial aid programs from which the student is receiving assistance for that term, including the federal Pell Grant program.

2. Defining a Term

Definition of a term must be done uniformly for all recipients.

In order for two or more mini-sessions to be treated as one term, the school must define a student’s enrollment status in terms of the number of credits enrolled for over the entire course of all sessions. When multiple mini-sessions are combined to make one term, the term start date is considered the first day of the first session in the term even if the student does not attend the first session.

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There is no requirement that a student be enrolled for all mini-sessions if the school combines all sessions into one term. However, if the original award disbursed at the onset of the term is based on credits for other sessions and the student drops those credits prior to the start of these sessions, the State Grant must be recalculated. (See ‘Recalculation of Student Award Based on Changes in Enrollment Level.’)

Example: The first summer session starts May 28 and ends June 29 (five weeks) and the second summer session starts July 1 and ends August 3 (five weeks). If these two five-week sessions are combined into a 10-week term, enrollment status must be based on the total number of credits during the 10-week period. The term start date is May 28.

In order for multiple mini-sessions to be treated as separate “mini-terms,” the school must define enrollment status separately for each session.

3. Determining Credits Needed for Enrollment Status

If a quarter is at least 10 weeks long or a semester is at least 15 weeks long, it is considered a standard term. Otherwise, it is referred to as a non-standard term.

In previous years, enrollment status for non-standard terms was derived by adjusting the student’s actual enrollment status to compensate for term length. However, effective July 1, 2002, enrollment status for standard and non-standard terms is derived in the same manner; that is, based on the actual number of credits or clock hours for which the student is enrolled.

4. Determining Amount of Award

The calculation of the student’s State Grant term award for a standard or non-standard term is identical. There is no further proration required for non-standard terms. (See Appendix 9 for Shared Responsibility term award calculation.) However, award proration is required when the number of clock hours or weeks remaining in the student’s program is less than the clock hours or weeks in the school’s payment period or term. (See items 6 and 7 under ‘Institutional Responsibilities Prior to Disbursement’ in this chapter.)

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F. Recalculation of State Grant Awards

State Grant awards are revised at the campus level. Schools are responsible for informing students about adjustments made to the award.

1. Increased Award – Institutional Responsibilities

If a school learns that a student’s State Grant should be increased due to a change in federal need analysis results, the Pell Grant award or the budget used to calculate the State Grant, the school is responsible for recalculating the student’s State Grant, notifying the student of the revised award amount and disbursing additional funds to the student. If the term has already started or been completed, policies for late or retroactive disbursement apply. (See ‘Late/Retroactive Disbursement’ section in this chapter.)

2. Decreased Award – Institutional Responsibilities and Liability

If a school learns a student’s award should be reduced or eliminated due to a change in the federal need analysis results, Pell Grant or State Grant budget, or a student not meeting the program eligibility requirements, the school is responsible for reducing the student’s award, notifying the student of the reduced award and making sure the overpayment is returned to its State Grant fund on campus. The balance of the fund is then returned to the Agency at the end of each academic year.

If the school is unable to collect the overpayment from the student, the school may turn over the student’s accounts receivable to the Agency as part of the balance due the Agency at the end of the year if the school was not liable for repaying the overpayment from its own institutional funds. Otherwise, the school must repay the overpayment from its institutional funds.

In general, a school is liable for repaying the overpayment from its own funds if:

- documentation on campus showed the student did not meet a program eligibility requirement at the time of disbursement;
- after the student was paid, an item on the application was corrected that the school failed to verify during for the federal verification process; or

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- the school paid the student before checking with the Agency to see if the student had received four years of aid, a previous State Grant overpayment, was in arrears on child support payments or was in default on a SELF loan and, upon checking with the Agency, learned that the student failed to meet one of these eligibility requirements at the time of disbursement. The school would be liable for repaying all funds disbursed to the student with the exception of the payment for the student's initial term.

In collecting overpayments from students, schools must:

- inform the student in writing of the overpayment;
- follow the applicable collection procedures to secure the return of the funds (the specific procedures utilized by the school to accomplish this would be determined by the school); and
- notify the Agency if the student refuses to acknowledge the overpayment or refuses to repay the funds. The Agency will utilize state income tax revenue recapture or may seek the assistance of the Attorney General of the State of Minnesota to recover the overpayment.

If the school is turning over a student's file to the Agency for billing at the end of the aid year, it must include all pertinent documentation such as the SAR or ISIR, copies of billing letters, an explanation of how the overpayment occurred, copies of cashed checks or student account transactions and all other supporting documentation.

3. Adjustments to Award Based on Change in Enrollment Level

State Grant award disbursements must always be based on the student's enrollment level as of the date of disbursement.

Unlike the Pell Grant program which allows schools to "freeze" the student's enrollment level and Pell Grant award at a certain point in time (normally the end of the drop/add period), the State Grant program requires the school to make State Grant adjustments based on changes in enrollment level throughout the entire term.

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A student's attendance will have an impact on how the State Grant is adjusted. If a student drops or withdraws from a class after disbursement of the State Grant and the student never attended the class, the State Grant must be recalculated to the lower enrollment level and the difference refunded to the State Grant program. This also applies to cases where the school grants a retroactive withdrawal for a class backdated to the first day of the term, even if the student attended the class.

After the initial disbursement of the State Grant, if a student withdraws from a class after attending the class and the State Grant award at the revised enrollment level is LESS than the award disbursed for the original enrollment level, the school must complete the Office of Higher Education Refund Calculation Worksheet (Appendix 13 of State Grant manual) and return the lesser of the following to the State Grant program:

- the difference between the State Grant at the original and revised enrollment level; or
- the State Grant proportional share of the institution's refund of institutional charges (from line I (E) of the Office of Higher Education Refund Calculation Worksheet).

Example A: No Change in EFC

Student originally paid \$500 for Level 15 enrollment
 Student withdraws from three credits to Level 12 enrollment
 Award at Level 12 is \$300
 Difference between Level 15 and Level 12 award is \$200
 Proportional share of refund of institutional charges is \$100
 \$100 is returned to State Grant program
 School continues to report Level 15 enrollment to the Agency

In the rare instance when a student withdraws from a class AND the student's overall State Grant award is decreased based on a change in parent contribution or EFC, the school must first collect the overpayment (difference between the original and new State Grant award at the original enrollment level) from the student and then return the lesser of the following to the State Grant program:

- the difference between the new State Grant award at the original and revised enrollment level; or

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- the State Grant proportional share of the institution's refund of institutional charges (from line I (E) of the Office of Higher Education Refund Calculation Worksheet).

Example B: Change in EFC

Student originally paid \$500 for Level 15 enrollment
 Student withdraws from three credits to Level 12 enrollment
 Original award for Level 12 is \$300
 Change in EFC results in revised award of \$400 for Level 15
 Revised award for Level 12 is \$200
 School must first recapture \$100 (difference between original and revised award for Level 15)
 Difference between revised Level 15 (\$400) and Level 12 (\$200) is \$200
 Refund of institutional charges is \$0
 \$0 refund due State Grant program
 School reports Level 15 enrollment to the Agency with payment of \$400

If the student withdraws from a class and the State Grant at the revised enrollment level is MORE than the award disbursed for the original enrollment level (this occurs in some cases for Pell Grant recipients when the withdrawn credits result in a lower Pell Grant enrollment level), the school can only increase the student's State Grant if the school actually reduces the Pell Grant award or if the increase in the State Grant award at the lower enrollment level can be attributed to a change in parent contribution or EFC.

Example C: No Change in EFC

Student originally paid \$300 for Level 12 enrollment
 Student withdraws from one credit to Level 11 enrollment
 Award at Level 11 is \$400
 School does not adjust Pell Grant from full-time to 3/4-time
 State Grant remains at \$300
 School continues to report Level 12 enrollment to the Agency with payment of \$300

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Example D: Change in EFC

Student originally paid \$300 for Level 12 enrollment
 Student withdraws from one credit to Level 11 enrollment
 Award at Level 11 is \$400 due to drop in Pell enrollment level
 School does not adjust Pell Grant from full-time to 3/4-time
 Change in EFC results in \$500 Level 12 and \$600 Level 11
 Student limited to \$200 increase in State Grant award
 (\$500 revised Level 12 minus \$300 original Level 12)
 School continues to report Level 12 enrollment to the Agency with \$500 payment

[Note: Had school actually adjusted Pell to 3/4-time, the student would receive the difference between the original \$300 Level 12 disbursement and the revised \$600 Level 11 award.]

If a student adds credits after the initial disbursement of the State Grant and the award at the revised enrollment level is MORE than the award disbursed for the original enrollment level, the school should disburse additional funds to the student. This applies regardless of whether the increase in the State Grant award is based on an increase in the enrollment level and/or a change in the parent contribution or EFC.

If a student adds credits after the initial disbursement of the State Grant and the award at the revised enrollment level is LESS than the award disbursed for the original enrollment level (this occurs in some cases for Pell Grant recipients), the school is only required to reduce the student's State Grant if the school actually increased the student's Pell Grant award or if the decrease in the State Grant award can be attributed to a change in the student's parent contribution or EFC.

Example E: No Change in EFC

Student originally paid \$400 for Level 11 enrollment
 Student adds one credit for Level 12 enrollment
 Award at Level 12 is \$300
 School does not adjust Pell Grant from 3/4-time to full-time
 State Grant remains at \$400
 School continues to report Level 11 enrollment to the Agency with payment of \$400

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Example F: Change in EFC

Student originally paid \$400 for Level 11 enrollment
 Student adds one credit for Level 12 enrollment
 Award at Level 12 is \$300
 School does not adjust Pell Grant from 3/4-time to full-time
 Change in EFC results in \$200 Level 11 and \$100 Level 12
 School must recapture \$200 decrease in State Grant award
 (\$400 original Level 11 minus \$200 revised Level 11)
 School continues to report Level 11 enrollment to the Agency with payment of \$200

[Note: Had school actually adjusted Pell Grant to full-time, school would need to recapture the \$300 difference between the original \$400 Level 11 disbursement and the revised \$100 Level 12 award.]

State Grant award adjustment policy becomes more complex in cases where the student both withdraws from and adds credits after the initial disbursement of the State Grant award. The school must always use the student's actual enrollment level (original enrollment level minus credits withdrawn or dropped plus credits added) to determine eligibility for a subsequent award. However, whether the revised award results in the disbursement of additional funds or recapturing funds previously disbursed will be based on the student's disbursement history. Additionally, the enrollment level and payment reported to the Agency on the State Grant DDS record may not necessarily match the student's actual revised enrollment level. A flow chart outlining the steps for State Grant award adjustments taking place after the initial disbursement of the State Grant award as well as several examples is provided in Appendix 20.

Appendix 21 outlines the current State Grant disbursement and award adjustment policies in comparison to the policies used for the federal Pell Grant program.

4. Recalculation of State Grant Award for Student Who Receives All F Grades

If the student receives F grades for all classes taken during a term, the Title IV guidelines requiring schools to document attendance in these cases also apply to the State Grant program. If the school determines the student never attended a class or classes, the State Grant award must be recalculated to exclude those credits prior to any refund taking place

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for withdrawn classes the student did attend. (See ‘Award Adjustments and Refunds for All F Grades’ in the ‘Refund Process’ section of this chapter.)

5. Recalculation of Award for Students Attending Modular Credit-Hour, Non-Term Based Schools

This award adjustment policy applies only to schools offering course work in a series of sequential modules that are combined to define a term. For example, a school may define a semester as a series of four 4-credit sequential courses that each last a month.

If a student withdraws from school during the first module without ever having attended classes, the entire State Grant disbursement for the term must be refunded. If the student did attend classes before withdrawing, then the school must complete the Office of Higher Education Refund Calculation Worksheet (Appendix 13) to determine the amount of the refund due the State Grant program.

If a student withdraws from school between modules after fully completing one or more modules within the term, the State Grant would be recalculated for the lower enrollment level. For example, if the school disbursed a Level 15 State Grant at the onset of a semester to cover four 4-credit sequential modules and the student withdrew from school after completing two 4-credit modules, the State Grant would be recalculated from Level 15 down to Level 8 and the difference would be returned to the State Grant program.

If a student withdraws from school during a module within the term, the school should use the Agency’s Refund Calculation Worksheet (Appendix 13 of this chapter) to determine the amount of the refund due the State Grant program.

Applicable Title IV policies require these types of schools to begin a new term for a student who changes programs within a term, even if the student has not fully completed all the modules of the initial term. If this is the case, the school may also define a new term for the purposes of State Grant disbursement so that Pell Grant and State Grant terms are consistent.

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If a student withdraws during a module or between modules but continues on in a different program, the State Grant for that term would be recalculated to cover only the modules the student did complete and a new State Grant would be awarded to cover the next term which would start with the next module in which the student enrolled. For example, if a full-time Level 15 State Grant were disbursed for the initial semester and the student fully completed two 4-credit modules of the first semester and then decided to change programs, the State Grant for the first semester would be recalculated to a Level 8 and the difference would be refunded to the State Grant program. The third module would then be considered the first 4-credit module of a new semester consisting of four 4-credit modules for the student's new program. A Level 15 State Grant would be disbursed for the new semester.

VII. Disbursement Process

A. Disbursing Funds to Schools

To improve cash management and timely State Grant reporting, the following guidelines are used when processing funds advances for the State Grant program.

A school's initial advance for funds will not be processed until the school has:

- reported a DDS batch for the new aid year that has been tested and is suitable for production;
- requested funds using the SG web access screen; and
- returned its end of year balance for the previous year (this would apply to any initial advance being processed after August 1) and run its final batch for the previous year (this would apply to any initial advance being processed after August 31).

The amount of funds advanced for the school's initial term of the new aid year is the total amount of awards for that term in the school's first batch for the new aid year. Ninety percent of this amount shall be disbursed to schools at the onset of the term as the first installment.

Schools can request additional funds once the initial installment has been disbursed to students.

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Subsequent funds requests for the first term must be requested on the SG web access screen and accompanied by an up-to-date batch showing that payments to date have consumed most of the initial installment and that total term awards in the batch support the additional funds request.

Funds advances for subsequent terms must also be requested on the SG web access screen and accompanied by an up-to-date batch showing that payments to date have consumed most of the previous advances. Advance amounts for subsequent terms are based on the amount of awards for that term in the school's most recently submitted DDS batch.

Ninety percent of this amount will be disbursed to schools at the onset of the subsequent term as the first installment. Schools can request additional funds once the initial installment has been disbursed to students.

A school may appeal to the manager of the State Grant program to increase the amount of a term advance if it can document that a 90 percent installment will not be adequate to cover the peak disbursement period at the onset of the term. The manager also has the option of increasing this percentage unilaterally based on the volume of awards in the school's most recent DDS batch.

B. Disbursing Funds to Students

The State Grant award must be based on the student's enrollment level as of the date of disbursement. If a student withdraws from a class prior to disbursement, the student cannot receive a State Grant payment for those credits. (See also 'Adjustments to Award Based on Change in Enrollment Level' and Appendices 20 and 21 for further information.)

1. When Schools May Disburse Funds

An institution may not make a payment to a student for a payment period or term until the student is enrolled (registered) for classes for that period.

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The institution will return to the State Grant program any funds paid to a student who, before the first day of classes:

- officially or unofficially withdraws,
- is expelled, or
- fails to attend any classes.

The institution is liable for all State Grant funds that are disbursed to an enrolled student prior to the start of the enrollment period if that student fails to begin the enrollment period. The institution will have to reimburse State Grant funds disbursed to the student prior to the start of the enrollment period if the institution cannot document that the student did begin attending classes.

If an institution posts a State Grant payment to a student's account prior to receiving State Grant funds from the Agency, the payment posted to the student's account must either be cancelled or adjusted if the student fails to enroll, withdraws or changes enrollment level prior to the institution's receipt of funds from the Agency.

Documentation must exist regarding the date of disbursement of the State Grant payment. The disbursement date is the date that the Agency requires the institution to determine the student's enrollment level prior to determining the amount of State Grant funds to be disbursed to the student. The Agency and/or the institution's independent public auditors will use the disbursement date to verify the enrollment level of State Grant program participants.

The disbursement date of all State Grant funds to a student made prior to the start of the enrollment period will be the first day of required class attendance.

The disbursement date of all State Grant funds disbursed to a student after the start of the enrollment period will be:

- for State Grant funds paid to a student account, the date the funds are disbursed to the student's account or applied to tuition charges;

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- for State Grant funds that are mailed to the student or transferred by EFT, the date of the check or EFT transaction unless the institution elects to use the previous day as the disbursement date for all students paid using this method; or
- for State Grant funds that are disbursed directly to the student via check, the date the student picks up the check.

a. Payment Periods

The Agency designates that schools may have only two or three payment periods during the academic year. The institution specifies on the budget questionnaire it completes each year whether it will disburse aid on a semester (two periods) or quarterly (three periods) basis.

For progressive clock hour schools, the length of a full-time payment period equals the total number of hours in the full-time academic year (e.g., 900 clock hours) divided by the number of payment periods (two or three). Payment periods should be of approximately equal length and the total period covered by the payment periods should equal the entire academic year. For example, if a clock hour school had a 1,200-hour academic year and disbursed aid on a semester basis, each full-time payment period would consist of 600 hours. For students attending less than full-time, the hours in the payment period must be adjusted accordingly. (See ‘Payment Periods for Less Than Full-Time Enrollment at Progressive Clock Hour Schools.’)

2. Late/Retroactive Disbursement

Schools must disburse State Grant funds to a student based on the student’s enrollment status as of the date of disbursement.

A grade of F or its equivalent shall be counted as if credits were earned. Courses from which the student withdrew shall not be counted as credits earned.

In cases where a student earns an F for every class taken during a term and the Title IV federal financial aid guidelines require the school to verify the student actually attended

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classes, the results of the verification shall also apply to the State Grant program. That is, if the school determines the student did not attend a class or classes or unofficially withdrew during the term, the school must also calculate a refund for the State Grant program. (See ‘Award Adjustments for Refunds for All F Grades’ in the ‘Refund Process’ section of this chapter.)

If a student withdrew all credits or dropped below three credits or its equivalent prior to disbursement, the school must not disburse State Grant funds to the student for that term.

A student is eligible to receive retroactive payment for a past term, even if the student is not currently enrolled in a subsequent term, provided the student currently meets all of the other program eligibility requirements as of the date of disbursement. If payment is for a term that has already been completed, the disbursement must be based on the student’s enrollment status as of the end of the term.

For example, if a student met all the program eligibility requirements throughout fall term but was placed on a child support hold during spring term prior to the school disbursing funds for fall and spring terms, the school cannot disburse funds to the student for either term because the student does not meet all the program eligibility requirements as of the date of disbursement. The same logic applies to a student who is not making satisfactory progress (and has exhausted appeals and probationary periods) at the time of disbursement even if the student was making satisfactory progress during a previous term.

3. Method of Disbursement to Students

Each school may disburse funds to students using one or a combination of the following methods. The institution may disburse State Grant funds:

- by institutional check directly to the student,
- by an institutional check that is mailed to the student,
- to the student’s account, or
- to the student by Electronic Funds Transfer (EFT).

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Whichever methods of disbursement are used, the school must document the date of disbursement and the amount of State Grant funds disbursed to the student. The Agency holds schools liable for improperly disbursed checks.

If the school disburses the State Grant payment directly to the student, the student must be paid by check. When disbursing a check to the student, the institutional representative should request proper identification (preferably a picture ID) and check the student's social security number. Once the check has been signed and cashed, the Agency will not refund or replace it.

The institution may exercise the option of mailing the checks to the student. The institution must maintain a record that documents for each student included in each transaction the:

- student's name,
- source and amount of state and other financial aid funds included in the payment to the student,
- number of the institutional check, and
- the date that the check was mailed to the student if different from the date of the check.

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost State Grant funds.

If the institution credits State Grant funds to the student's account, the institution must document:

- student's name,
- amount and type of charges paid by each transaction in the student's account, and
- source and amount of state and other financial aid funds disbursed to the student's account.

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If the institution chooses to disburse State Grant funds to the student by initiating an EFT to the bank account designated by the student, the institution must obtain authorization from the student to disburse by that method.

Each State Grant aid award must be based on the student's enrollment level as of the date the funds are electronically transferred to the student. The following standards apply to EFTs:

- The date of the EFT transaction must be documented. This will be considered the date of disbursement unless the institution elects to take the following option.
- At the institution's option, the date of disbursement may be one business day prior to the date of the EFT transaction.

For each EFT transaction, the institution must maintain a dated record that documents for each student included in the transaction the:

- student's name,
- source and amount of state and other financial aid funds included in the EFT,
- the amount of the EFT,
- student's bank account number, and
- name of the bank into which the funds were deposited.

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost state financial aid funds.

4. Disbursement to Incarcerated Students

Disbursement of the State Grant for an incarcerated student should be arranged with the education director at the correctional facility. The award may be credited to a student's account at the school or disbursed to the student through the education director.

5. Disbursement to Students Studying Abroad

If tuition is paid at the Minnesota institution, the student's State Grant check should be credited to the student's account. Any excess funds can be mailed to the student unless the

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school is authorized by the student to hold a balance in the student's account. If the student must pay tuition at the foreign school, the school may mail the check to the student. However, the student must be registered for credit at an eligible Minnesota school or the eligible Minnesota school must have a consortium agreement with the foreign school.

6. Payment of Unpaid Fees

At the time of disbursement, a school may require a student to pay all unpaid fees currently due the school. Minnesota financial aid recipients cannot have stricter payment requirements than students who don't receive financial aid.

7. Student Account Balances

Unless otherwise authorized by the student, whenever an institution applies state financial aid funds to a student's account and determines that the amount of those funds exceeds or exceeded the amount of allowable charges the institution assessed the student, the institution must pay that balance directly to the student as soon as possible but within 14 days of the later of:

- a. the date that balance occurs,
- b. the first day of classes of a payment period/period of enrollment as applicable, or
- c. the date the student rescinds his or her authorization.

If a school receives authorization to hold excess funds, the school must identify the student or parent and the amount of funds the school holds for the student or parent in a subsidiary ledger account designated for that purpose. The school also must maintain, at all times, cash in its bank account at least equal to the amount the school holds for students.

Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by a school from a student or parent, the school must pay:

- any remaining balance on state loan funds by the end of the loan period, and

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- any other remaining balance on state financial aid program funds by the end of the last payment period in the award year for which they were awarded.

If a school cannot locate a student to whom a state financial aid credit balance must be paid, the school must return the credit balance to the appropriate state financial aid program. The Agency does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, the Agency encourages schools to return state financial aid fund balances to the SELF Loan program first to reduce the likelihood of default.

The school is permitted to retain any interest earned on the student's credit balance funds.

8. Student Authorization

An institution must obtain from a student written authorization allowing the institution to disburse State Grant funds by initiating an EFT, as provided for in these procedures, or to hold excess student funds in the student's institutional account.

In obtaining authorization for any of these activities, an institution may not require the student to provide that authorization and must allow the student to rescind that authorization at any time.

The authorization granted to an institution is valid for the award year or the period of enrollment in which the institution obtains that authorization. The initial authorization will continue to be valid provided that the institution notifies the student of the provisions regarding the student's current authorization prior to conducting any of the activities that require authorization for any subsequent award year. The institution's notice to the student must, in a plain and conspicuous manner, explain those provisions including an explanation regarding any interest that the institution earns on the student's funds and whether the institution will provide that interest to the student. The notice must also provide the student with the opportunity to cancel or modify those provisions.

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C. Institutional Responsibilities Prior to Disbursement

1. Notification of Students

Schools are responsible for letting students know when their State Grant payments will be ready for disbursement. Notification may include a letter to the student or announcement of disbursement dates.

2. Certification and Monitoring of Student Eligibility

Prior to disbursement, a school is responsible for certifying that a student meets the program eligibility requirements outlined in the ‘Program Eligibility Requirements’ section of this chapter.

3. Federal Verification

Before disbursing the State Grant award, the school is responsible for verifying the data on the student’s application when selected by the federal government using the verification criteria procedures and tolerances established by the Department of Education for federal student aid programs. This requirement also applies to schools that do not participate in federal aid programs.

4. Adjusting Payments Due to Revised Award

Schools are responsible for adjusting a student’s State Grant payment if a change in federal need analysis results, Pell Grant, or the budget used to calculate the State Grant resulted in a revision to the student’s State Grant award. If a school receives a revised ISIR after the deadline by which it must make Pell Grant adjustments and the ISIR would result in a decreased Pell Grant and an increased State Grant, the school cannot increase the student’s State Grant if it did not decrease the student’s Pell Grant.

5. Adjusting Payments Based on Enrollment Status

Schools must generate State Grant payments based on the enrollment status as of the disbursement date. Because the amount of the State Grant award varies based on the student’s enrollment status, the school must make certain it is generating a payment for the

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appropriate enrollment level. (See also ‘Adjustments to Award Based on Change in Enrollment Level’ and Appendices 20 and 21 for further information.)

a. Payment Periods for Less Than Full-Time Enrollment at Progressive Clock Hour Schools

Schools using progressive clock hour disbursement must reduce the number of clock hours in a student’s payment period and academic year if the student attends on a less than full-time (Level 15) basis. Thus, if a full-time (Level 15) payment period is 600 hours for a school with a 1,200-hour academic year split into two payment periods, payment periods for less than full-time (Level 15) enrollment would be reduced proportionately, as shown in the chart in Appendix 15.

For less than full-time students, State Grant payment periods may be different than Pell Grant/federal aid payment periods due to different enrollment levels for the State Grant and Pell Grant programs. For samples of State Grant payment periods, please refer to Appendix 15.

To arrive at the number of clock hours in a State Grant payment period for less than full-time (Level 15) enrollment, multiply the number of hours in a full-time academic year by the percentage shown on the following chart and divide the result by 3 (three payment periods per academic year) or 2 (two payment periods per academic year). Sample payment period charts are available in Appendix 15.

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| Determining Number of Clock Hours in Academic Year for Less Than Full-Time Enrollment | | |
|--|---|--|
| State Grant Level | Average Clock Hours Per Week | Multiply Hours in Full-Time Academic Year by: |
| Level 15 | 30+ | 1.0 |
| Level 14 | 28-29 | .933 |
| Level 13 | 26-27 | .867 |
| Level 12 | 24-25 | .800 |
| Level 11 | 22-23 | .733 |
| Level 10 | 20-21 | .667 |
| Level 9 | 18-19 | .600 |
| Level 8 | 16-17 | .533 |
| Level 7 | 14-15 | .467 |
| Level 6 | 12-13 | .400 |
| Level 5 | 10-11 | .333 |
| Level 4 | 8-9 | .267 |
| Level 3 | 6-7 | .200 |

**b. Determining Enrollment Status Throughout the Academic Year
at Progressive Clock Hour Schools**

(1) Enrollment Status for Initial Payment Period

When the State Grant award is disbursed within the first two weeks of the student's initial payment period at the school, the amount of the award and the number of hours in the student's payment period should be based on the enrollment level for which the student has contracted or registered.

In cases where the State Grant is disbursed *after* the first two weeks of the student's initial payment period, the enrollment status used to determine the award and hours in the payment period should be based on the average hours per week the student has completed to date.

Once the State Grant award has been disbursed for the initial payment period, the disbursement does not have to be subsequently adjusted if the student's average hours per week fall short or exceed the enrollment level used to calculate the

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original award. However, if the student withdraws from school, then a refund calculation is required. (See ‘Total Withdrawal – Progressive Clock Hour Schools’ under ‘Refund Process’ section of the State Grant manual.)

Once the student completes the number of hours in the initial payment period, the school should calculate and disburse the State Grant award for the next payment period.

(2) Enrollment Status for Subsequent Payment Periods

When the State Grant award is disbursed within the first two weeks of a subsequent payment period, the enrollment level used to calculate the award and determine the number of hours in the current payment period must be based on the number of hours per week the student actually averaged during the preceding payment period. For example, if the student received a full-time Level 15 State Grant for the initial payment period based on contracting for 30+ hours per week but only averaged 24 hours per week during the initial payment period, the enrollment level used to determine the award and payment period hours for the next payment period would be 24 hours per week, or Level 12.

When the State Grant award is disbursed *after* the first two weeks of a subsequent payment period, the enrollment level used to calculate the award and determine the number of hours in the payment period must be based on the number of hours per week the student actually averaged during the preceding payment period up through the date of disbursement for the current payment period. Thus, if a student completed four weeks of the current payment period prior to State Grant disbursement, the enrollment level used to calculate the award and payment period hours would be based on average hours per week from the beginning of the preceding payment period through the end of the fourth week of the current payment period.

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If the student's average hours per week during the previous payment period through the date of disbursement for the current payment period fall below the minimum enrollment level (six clock hours per week), the school must delay calculation and disbursement of the award for the current payment period until the student's average hours per week for the previous payment period through the disbursement date of the current payment period meet or exceed the minimum enrollment level of six hours per week, or Level 3.

**Example of Payment Periods for 1,550 Hour Cosmetology Program
Academic Year Defined as 1,200 Clock Hours With Two Payment Periods**

| | Payment Period 1 | Payment Period 2 | Payment Period 3 |
|--|--------------------------------------|--|---|
| Disbursement Date | First day of Payment Period 1 | First day of Payment Period 2 | Delayed until first day of fourth week of Payment Period 3 |
| Contracted Hours per Week | Full-time 35 hours | N/A | N/A |
| Enrollment Level for Payment Period | Level 15 (based on contracted hours) | Level 12 (based on average hours for Payment Period 1) | Level 14 (based on average hours per week during Payment Period 2 through third week of Payment Period 3) |
| Payment Period Hours | 600 hours | 480 hours (600 x 12/15ths) | 560 hours (600 x 14/15ths) |
| Calendar Time to Complete Period | 9/4/06 – 02/25/07 25 weeks | 02/26/07 – 6/23/07 17 weeks | 6/26/07 – 10/06/07 15 weeks |
| Average Hours per Week for this Period | $600/25 = 24 =$ Level 12 | $480/17 = 28 =$ Level 14 | $470/15 = 31 =$ Level 15 |
| Total Program Hours Completed/ Remaining at End of Payment Period | 600 completed 950 remaining | 1,080 completed 470 remaining | 1,550 completed 0 remaining |

(3) When Disbursement is Substantially Delayed

In cases where the student has attended the institution for a number of months prior to disbursement of the State Grant award, the school may have to determine the student's enrollment level for multiple payment periods based on the average hours per week to date. For example, if the student started a program in September and the initial disbursement was delayed until March, the school would determine

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the student's average hours per week from September through March and use that enrollment level to determine the award and payment period hours for multiple payment periods.

Example of Delayed Disbursement at Clock Hour Institution

| | |
|--|---|
| Length of Student's Cosmetology Program | 1,550 clock hours |
| School's Definition of Full-Time Academic Year and Payment Period | 1,200 clock hours split into two payment periods of 600 clock hours |
| Period of Student's Enrollment Prior to Disbursement | From September 2006 through February 2007 student completed 900 clock hours in 25.8 weeks |
| Enrollment Status Used to Calculate Awards and Payment Period | 750 clock hours divided by 25.8 weeks = 29.07 hours per week = Level 14 |
| Student's first payment period | 560 hours (600 hours X 14/15ths) |
| Student's second payment period | 560 hours (600 hours X 14/15ths) |
| Student's third payment period | After student completes 1,120 hours, school will average hours per week during the second payment period and base third payment period and award on that enrollment level |

6. Adjusting Payments for Clock Hour Programs When Remaining Program Hours Are Less Than The Number of Hours in Payment Period

If the number of clock hours remaining in the student's program is less than the number of hours in the payment period, the school must first calculate the State Grant award for the entire payment period and then prorate the award using the following formula:

| | | |
|---|---|--|
| State Grant Award for Entire Payment Period | X | $\frac{\text{Number of Clock Hours Remaining in Student's Program}}{\text{Number of Hours in Payment Period}}$ |
|---|---|--|

For example, a student is enrolled full-time (averaging 30+ clock hours per week) in a 350 hour program at a school with an academic year of 1,200 hours split into two payment periods. A full-time payment period would be 600 hours. The payment period award would initially be calculated based on costs for a 600 hour period. However, the award would then be prorated by multiplying the award by 350/600 clock hours, or by .583.

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7. Adjusting Payments for Term-Based Clock/Credit Hour Programs When Program Length Does Not Correspond to Term Length

Term-based clock hour schools disburse aid to students based on the amount of time that has passed, not the number of clock hours completed.

If the length of a student's program does not directly correspond to term length, the State Grant term award must be adjusted to reflect the length of the program.

In cases where program length directly corresponds to term length, the student may receive the standard term payments. For example, if a program consisted of two quarters, the student would be eligible for two standard term payments.

In cases where the entire or remaining program length does not directly correspond to term length, the State Grant term award for the student's enrollment level must be prorated according to the following formula:

| |
|--|
| <p>Pro-Rating Term Award for Term Based Clock/Credit Hour Program Less Than One Academic Year in Length</p> |
|--|

- | |
|---|
| <p>a. $\frac{\text{The number of weeks remaining in the student's program}}{\text{The number of weeks in the term}}$</p> <p>b. Multiply the student's State Grant term award by the result of (a).</p> |
|---|

For example, a student is enrolled in a program lasting 18 weeks. The school's semesters are each 15 weeks in length so the student's award for the second semester would be prorated to 3/15, or .20.

8. Adjusting Payments for Leaves of Absence

A school cannot disburse State Grant funds to a student who is on a leave of absence. (See definition in 'Common Definitions' chapter.)

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The hours in a leave of absence are ignored for purposes of averaging hours per week and disbursing aid at clock hour schools. For example, if a student is scheduled to receive a term payment every 517 hours, the leave of absence hours would be excluded as follows:

- Student receives check covering 517 hours
- After completing only 200 hours, student takes a leave of absence
- Check covering second payment period cannot be disbursed until student returns to school and completes the remaining 317 hours of the first payment period.

D. Resolving Errors on the Roster of Rejected Awards/Payments

After a school submits its monthly batch of DDS records, the Agency checks for eligibility problems, award discrepancies, and/or payment errors and generates a set of error reports for the school. The school is responsible for resolving all errors on the output reports which caused a student's payment to be rejected. Any necessary corrections or adjustments must be made before the school submits its next monthly batch.

VIII. DDS Reporting Requirements

A. General Description of DDS System

All participating schools are now required to administer the State Grant program on campus using the Decentralized Delivery System (DDS).

With DDS, the school is responsible for screening the student's application using the FAFSA record it receives from the FAFSA processor and the Minnesota State Grant program Student Eligibility Questionnaire (Appendix 2). Once the school completes the student's application, the school then calculates the student's State Grant award using the Shared Responsibility term award calculation (Appendix 8). The Agency advances State Grant funds to schools each term to cover anticipated payments. The school then notifies the student about his/her State Grant eligibility via the financial aid award letter and makes disbursements from its State Grant account to the student at the onset of each term. The school reports award and payment activity to the Agency on at least a monthly basis throughout the academic year. Any refunds for students who did not enroll, withdrew or changed enrollment status are deposited back in

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the school's State Grant fund, the balance of which must be returned to the Agency by August 1 following the close of the aid year.

B. Requesting State Grant Funds

Schools must request State Grant funds using the SG web access screen along with submitting an up-to-date DDS batch. The Agency can adjust a school's advance based on previous year spending patterns or the sum of term awards in the school's most recent DDS batch. The Agency can also delay a school's advance if the school is not meeting the reporting schedule deadlines described below.

C. Required Reporting Schedule

Each school is responsible for submitting a batch of DDS records for State Grant recipients and no-need students to the Agency on at least a monthly basis. This is to ensure that the State Grant database contains current information about awards and payments for the fiscal year in question. (See definition of no-need under 'Selection of Student Records for DDS Batches.')

D. Reporting Deadlines

Schools should make an effort to submit their initial DDS batch to the Agency prior to making any disbursements in order for the Agency to check for hold data and verify accuracy of awards and payments.

While submitting DDS batches to the Agency on at least a monthly basis, schools must incorporate the following reporting deadlines:

- Schools must submit a DDS batch suitable for production prior to receiving their initial funds advances for the new aid year. For schools who process aid for the leading summer term, the initial batch should be submitted in June. For schools with aid years starting with fall term, the initial batch should be submitted by August 1.
- Schools with payments for the leading summer term should submit a batch reflecting payment activity by July 15.

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- Fall term payment activity for terms starting in August or September must be reported no later than October 1. For fall terms starting in early October, fall term payment activity must be reported no later than October 15.
- First no-need batch should be submitted (unless no-need records are included in recipient batches reported monthly) by November 1.
- Winter quarter payment activity must be reported no later than January 15.
- Another no-need batch should be submitted (unless no-need records are included in recipient batches reported monthly) for schools with winter quarters by April 1.
- Spring term payment activity for terms starting in January or February must be reported no later than March 1. For spring terms starting in March or early April, spring term payment activity must be reported no later than April 15.
- Another no-need batch should be submitted (unless no-need records are included in recipient batches reported monthly) by May 1.
- Trailing summer term awards and enrollment levels should be reported as soon as students have enrolled for the trailing summer term. Payment activity must be reported by July 1.
- Final no-need batch should be submitted (unless no-need records are included in recipient batches reported monthly) by August 1.
- End of year balances must be returned to the Agency no later than August 1. If the school's final batch still contains errors as of August 1, the school has until August 31 to submit a corrected batch.

Reporting deadlines are also shown in the 'Calendar of Financial Aid Events and Deadline' in the introductory section of the Financial Aid Manual.

E. Selection of Student Records for DDS Batches

DDS batches should be cumulative and increase in volume throughout the year as more students apply and complete their financial aid applications.

Schools should only be reporting data for students who meet all the program eligibility requirements such as residency (see 'Comprehensive List of Eligibility Requirements' in this chapter), have completed financial aid applications, will enroll at the school for one or more

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terms of the aid year, and have been evaluated for a State Grant using the Shared Responsibility term award calculation (Appendix 8) and found to either be recipients or no-need students. No-need students are those who meet all the program eligibility requirements but do not show financial need for a State Grant award. It is critical for the Agency to have both recipient and no-need records on its database in order to conduct accurate program expenditure projections and simulations for proposed changes to the award formula.

F. The DDS Record Layout

A description of the DDS Record Layout can be found in Appendix 12.

The DDS record is 800 bytes long and contains fields for most of the data elements collected on the student's FAFSA record as well as need analysis results, enrollment information, tuition and fees charged to the student, and term award payment amounts calculated by the school.

The DDS record is identical for both recipients and no-need students, although the school should report zeros for the award and payment fields on the record for no-need students.

G. Reporting Student Enrollment Status on the DDS Record

When a school first reports a student's record to the Agency, the school should report an assumed full-time enrollment status (15 credits) for the student for all terms of the school's standard academic year (fall through spring terms) unless the school is aware of the student's actual enrollment level for those terms. Term enrollment status for the leading and trailing summer terms should not be populated until the student registers for those terms unless the school has a reliable means of knowing the student will enroll for either of those terms.

Throughout the course of the school year the school should be updating term enrollment status on the DDS record for students who do not enroll or end up enrolling less than full-time. Term enrollment status must be updated on both recipient and no-need records.

If a student withdrew or changed enrollment status after the State Grant was disbursed and the full amount of the difference in the awards for the initial and revised enrollment levels was not

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required to be returned to the State Grant program, the school should continue to report the enrollment level at which the student was initially paid. (See also Appendix 20 for examples.)

H. Methods for Submitting DDS Batches

Schools should submit batches to the Agency using the SG web access screen. Schools may also use an automated FTP process to transmit DDS batches to the Agency. Schools interested in submitting data via FTP must contact the grant unit to obtain a username, password and directory. In either case, the Agency will need to know the name of the school sending the batch, the cut-off date for the batch and the balance of funds remaining in the school's State Grant account on campus. Most schools have designed their reporting software to include this information in designated fields on the trailer record for the DDS batch.

I. Reviewing DDS Batch Output Reports

When the Agency processes a batch of DDS records, it checks to make sure the student does not have an eligibility problem by checking for child support holds, SELF default holds, overpayment holds and four years of aid holds on its database. It also uses the data on the school's DDS record to perform federal need analysis and calculate the State Grant award. The Agency's calculation results are then compared to the data submitted by the school and any discrepancies are noted. If discrepancies are outside the established tolerances, the award and payment data for the student is rejected.

Data about eligibility problems, award discrepancies and rejected payments is provided on a series of output reports sent to the school after the DDS batch is processed by the Agency. Reports can either be mailed to the school or electronically sent to the school for remote printing on the school's printer. Schools interested in remote printing should contact the grant unit for assistance.

The output reports generated when a DDS batch is processed are the *Roster of Rejected Awards/Payments* (Appendix 16), the *Award Error Detail Roster* (Appendix 17), the *Roster of Accepted Payments* (Appendix 18) and the *Reconciliation Report* (Appendix 19).

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The school is responsible for reviewing DDS batch output reports and resolving errors prior to the school reporting its next DDS batch. The school should refer to the appropriate appendices for detailed instructions on reviewing these reports and resolving errors.

IX. Refund Process

A. General Information and Deadlines

All refunds should be for an even dollar amount with cents rounded to the nearest dollar.

Any refunds of student State Grant payments must be returned to the school's State Grant account on campus for the given aid year regardless of the dollar amount of the refund. Schools are responsible for calculating the amount of student refunds within a reasonable amount of time and returning funds to the State Grant account in a timely manner. Any remaining balance in the account must be returned to the Agency no later than August 1 after the end of the academic year or within ten (10) working days of a written request from the Agency. After the school has returned the end of year account balance to the Agency, any student refunds discovered after that point should be sent directly to the Agency along with the Refund Return Form (Appendix 22).

Failure to meet this deadline will result in the Agency delaying funds advances for the next academic year.

B. Refunds for Students Who Do Not Attend

If a student fails to attend any classes for a term or payment period, any State Grant funds disbursed to the student or credited to the student's account must be fully refunded to the school's State Grant account on campus.

C. Calculating Refunds for Students Who Change Enrollment Level or Withdraw After State Grant Disbursement

If, according to the refund policy the school is required to use, the student is due a refund when the student's enrollment status changes or the student withdraws, all or a portion of that

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student's refund may be due to the State Grant program. (See 'Common Definitions' chapter for a definition of "Withdrawal Date.")

Each institution is responsible for refunds of unused institutional charges when a student changes enrollment status or withdraws from school.

The Office of Higher Education Refund Calculation Worksheet (Appendix 13) or similar form should be used to document the calculation of refunds to the State Grant program. The worksheet is for the school's use and is not intended to be sent to the Agency. Use of this particular refund calculation worksheet is not a program requirement but if the school does not use this worksheet, the Agency requires that the school design some type of comparable refund worksheet in order to document the calculation of State Grant refund transactions. This worksheet is also available in spreadsheet format on the Agency's web page under Financial Aid Administrator Resources, Forms for Financial Aid Administrators.

1. Change in Enrollment Level

If, according to the policies described under 'Adjustments to Awards Based on Change in Enrollment Level,' the school is required to complete the Agency's Refund Calculation Worksheet (Appendix 13) for students who withdrew from a class but were still enrolled for three or more credits for the term, the amount of the refund due the State Grant program will be the lesser of: the difference between the State Grant term award for the original and current enrollment level or a proportional amount of the school's refund of institutional charges based on the refund policy the school is required to use. If there is no refund of institutional charges based on the institution's refund policy, the school is not required to return funds to the State Grant program.

The following example illustrates the difference between a case where the Agency's Refund Calculation Worksheet would be used (Case A) and a case of award recalculation (Case B) which, while requiring a refund, does not necessitate use of the Agency's Refund Calculation Worksheet. (The Refund Calculation Worksheet is used when a student

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attends and then withdraws from a class or classes. Recalculation of the award occurs when a student drops a class or classes without having attended the class.)

| Example of Adjustments to Award Due to Reduced Enrollment | | |
|---|---|--|
| State Grant Term Awards | Refund Case A | Recalculation Case B |
| Level 15 \$800 Level 14 \$746 Level 13 \$694 Level 12 \$640 Level 11 \$586 Level 10 \$534 Level 9 \$480 Level 8 \$426 Level 7 \$374 Level 6 \$320 Level 5 \$300 Level 4 \$287 Level 3 \$250 | <p>The student initially received a Level 15 State Grant of \$800 for fall quarter after starting classes. The student then withdrew from a two-credit class the student had attended and the enrollment status changed to Level 13. The difference between Level 15 and Level 13 term awards is \$106. Therefore, up to \$106 of the refund is due the State Grant program. The school's refund calculation (Appendix 13) results in a refund to the State Grant program of \$90.</p> <p>Therefore, only \$90 would be returned to the State Grant program. The school would not have to bill the student for the remainder.</p> | <p>The student initially received a Level 12 State Grant of \$640 for fall quarter but did not begin a two-credit course and dropped those two credits, resulting in an enrollment status change to Level 10. The State Grant must be recalculated and the difference between Level 12 and Level 10 term awards (\$106) must be returned to the State Grant program.</p> |

2. Total Withdrawal – Term Based Schools

This policy refers to students who withdraw from school (or below three credits) after attending classes. If a student withdraws without attending classes, the State Grant term award must be recalculated to zero and the State Grant term award disbursement must be returned to the State Grant program. This also applies if the student attends classes but is granted a withdrawal date retroactively to the first day of the term. (See 'Backdated Withdrawal Date' in this section.)

Schools should refer to the definition of "withdrawal date" contained in the 'Common Definitions' chapter of this manual to determine the date of withdrawal. If the refund policy the school is required to use results in a refund of institutional charges and, after the institution's share of any required refund to Title IV programs has been refunded

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(Unearned Title IV Aid Due from the School, Step 5.O. of Title IV Refund Worksheet), a proportional share of any remaining refund (Line E of Office of Higher Education Refund Calculation Worksheet), not to exceed the amount of the State Grant payment the student initially received for the term, must be returned to the State Grant program. Schools should use the Agency’s Refund Calculation Worksheet (Appendix 13) to calculate the amount of funds to return to state financial aid programs. The amount listed on lines (A) and (B) in Part One of the worksheet should reflect funds applied and retained for the term during which the student withdrew.

To determine the total non-Title IV aid package for the term for Part Two of the Refund Calculation Worksheet, the school would add all financial aid awarded to the student for that term (Title IV aid, work study earnings, and payments made by the student should not be included) from programs that require a portion of any refund of institutional charges. For non-Title IV loans, use the total loan divided by the number of attendance periods in the loan period. Institutional aid may also be included.

Once the amount of the total non-Title IV aid package is known, divide the student’s State Grant for the term by the amount of the term’s total non-Title IV aid package to determine what percentage of the total non-Title IV aid package is comprised of State Grant funds. The same would apply to other state aid programs excluding State Work Study.

The refund remaining after the institution’s share of any required refunds to Title IV programs has been fully refunded is distributed on a proportional basis to non-Title IV aid programs requiring refunds, not to exceed the actual amount the student received from each program.

All Minnesota aid programs (excluding State Work Study) from which the student received funds must receive their proportional share of the remaining refund before the student may receive any portion of any refund of institutional charges.

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Example of Refund Distribution for Total Withdrawal

Aid Package for Fall Term

| | | |
|------------------|---------------|----------------------|
| Pell Grant | \$ 600 | Federal Title IV Aid |
| State Grant | \$ 300 | |
| Self Loan | \$ 200 | |
| YMCA Scholarship | \$ 800 | |
| Inst Scholarship | <u>\$ 400</u> | |
| TOTAL | \$2,300 | |

Case A

Refund of institutional charges = \$1,000
 Remaining refund after subtracting institutional share of Title IV refund = \$700 (\$1,000 - \$300)
 State Grant percentage of non-Title IV aid package = $\$300/\$1,700 = .18$
 Amount of remaining refund due State Grant = $\$700 \times .18 = \126

Case B

Refund of institutional charges = \$3,000
 Remaining refund after subtracting institutional share of Title IV refund = \$2,700 (\$3,000-\$300)
 State Grant percentage of non-Title IV aid package = $\$300/\$1,700 = .18$
 $\$2,700 \times .18 = \486 , which exceeds State Grant term award of \$300
 \$300 would be refunded to State Grant

3. Total Withdrawal - Progressive Clock Hour Schools

This policy refers to students who withdraw from school (or below six clock hours per week) after attending classes. If a student withdraws without attending classes, the State Grant term award must be recalculated to zero and the State Grant term award disbursement must be returned to the State Grant program.

If a student withdraws and the refund policy used by the school results in a refund of institutional charges, and after the institution's share of any required refund to Title IV programs has been refunded (Unearned Title IV Aid Due from the School, Step 5.O. of Title IV Refund Worksheet), a proportional share of the remaining refund must be returned to the State Grant program based on a percentage determined by dividing the amount of State Grant funds received for the payment period by the total non-Title IV aid received for that payment period or aid year.

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Once the percentage is calculated, the refund remaining (Line E of the Office of Higher Education Refund Calculation Worksheet) after federal aid programs have been repaid is multiplied by the percentage and the result, not to exceed the amount of the State Grant payment the student initially received for the State Grant program payment period or aid year, is returned to the State Grant program.

For progressive clock hour schools with institutional refund policies based on the amount of institutional charges that can be retained for a payment period, lines (A) and (B) on Part One of the Refund Calculation Worksheet (Appendix 13) should be based on the funds applied and charges retained for the payment period. Determining the percentage of the payment period financial aid package covered by the State Grant can be difficult because the payment period used for State Grant may be different from the payment period used for other non-Title IV financial aid programs.

If the school's refund policy bases the amount of institutional charges the school can retain on scheduled rather than attended hours, the school must adequately document both scheduled and completed hours for auditing purposes.

For purposes of calculating what percentage of the total payment period non-Title IV aid package is comprised of State Grant funds, an hourly rate must be calculated. Divide the State Grant payment for the payment period by the number of hours in the State Grant payment period to determine the amount of State Grant per clock hour. Divide any other non-Title IV aid by the number of hours in the award period, which may consist of more hours than a payment period.

a. Post-Withdrawal Disbursement for Returning Students at Progressive Clock Hour Schools

If a student attending a progressive clock hour school withdraws from school but re-enrolls at the school within 180 days of the withdrawal date, the student is eligible to receive a State Grant for the payment period during which the student withdrew. The school may not impose additional fees for the student to re-enroll or require the student to re-enroll in the same program. If the school performed a refund calculation

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for the withdrawal, the school may reverse the refunds to financial aid programs as if the student never withdrew. In these cases, the State Grant award is not revised from the award amount at the time of the initial disbursement. If the State Grant for the payment period was not disbursed prior to the withdrawal, it can be disbursed after the student re-enrolls based on the student's enrollment level from the beginning of the previous payment period to the current date of disbursement. For students who re-enroll, the State Grant award for the next payment period cannot be disbursed until the student completes the hours in the payment period during which the student withdrew.

| Example of Refund Distribution at Clock Hour Institution Where Refund Period Based on Payment Period | | |
|---|----------------|--|
| Academic year = 900 hours (300 Clock Hours in Level 15 Payment Period) | | |
| State Grant Level 14 Payment | <u>\$ 500</u> | |
| State Grant Level 14 Payment Period | | 280 clock hours = \$1.79 (35.0%) |
| SELF Loan | <u>\$2,000</u> | |
| SELF Loan Award Period | | 900 clock hours = \$2.22 (43.4%) |
| Institutional Scholarship | <u>\$1,000</u> | |
| Scholarship Award Period | | 900 clock hours = <u>\$1.11</u> (21.6%) |
| | | \$5.12 (100%) |
| | | Total Non-Title IV Aid Per Clock Hour |
| Total Refund of Institutional Charges | \$1,500 | |
| Institutional Share of Title IV Refund | <u>- 767</u> | |
| Remaining Refund | \$ 733 | |
| \$733 x 35.0% = \$257 State Grant Portion of Remaining Refund \$733 x 43.4% = \$318 SELF Loan Portion of Remaining Refund \$733 x 21.6% = \$158 Institutional Scholarship Portion of Remaining Refund | | |

4. Total Withdrawal When School's Mandatory Refund Policy Applies to Program Length

If the institutional refund policy the school is required to use applies to charges assessed and retained for the student's entire program as opposed to a term or payment period, line (A) in Part One of the Refund Calculation Worksheet (Appendix 13) should reflect all financial aid and cash applied to institutional charges to date for the aid year, not to exceed

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the amount of institutional charges. Line (B) of the worksheet should reflect the amount of institutional charges the institution is allowed to retain for the student's program. Part Two of the worksheet should reflect non-Title IV financial aid disbursed to date for the aid year.

**Sample of Withdrawal Refund Calculation
When Refund Period is Based on Length of Program**

Institutional Charges = \$8,000 for 1550 hour cosmetology program
School defines aid year as 1200 clock hours, with two 600-hour full-time payment periods

Financial aid and cash applied to institutional charges:
 MN State Grant = \$2,700 first payment period; \$2,700 second payment period
 SELF Loan = \$1,000 first payment period; \$1,000 second payment period
 Cash payment = \$300 during first payment period

Student has been enrolled full-time but withdraws from school during second payment period at hour 700.
 Student has completed 45.2% of program ($700/1550 = 42.5\%$)
 School's mandated refund policy allows school to retain 70% of institutional charges from the program.

Part One of Refund Calculation Worksheet (Appendix 13)
 Line (A) = \$7,700 (all financial aid and cash applied to institutional charges to date for aid year)
 Line (B) = \$5,600 (\$8,000 program charges x 70% institution can retain)
 Line (C) = \$2,100 (\$7,700 - \$5,600)
 Line (D) = \$0 (no Title IV financial aid disbursed)
 Line (E) = \$2,100 (to be distributed proportionally to non-Title IV financial aid programs)

Part Two of Worksheet (non-Title IV aid disbursed to date for aid year)
 \$5,400 State Grant (73%)
\$2,000 SELF Loan (27%)
 \$7,400 Total Non-Title IV Financial Aid Disbursed (100%)

Distribution of Remaining Refund as shown on Line (E) Part One
 \$2,100 x 73% = \$1,533 to MN State Grant
 \$2,100 x 27% = \$567 to SELF Loan

5. Backdated Withdrawal Date

A student who withdraws from a class or classes and is granted a retroactive withdrawal date back to the start date of the term will be treated as if the student never attended the class or classes. The award must be recalculated to exclude credits granted a retroactive withdrawal and the overpayment returned to the State Grant program.

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6. Award Adjustment and Refunds for All F Grades

If a student receives a grade of F in all classes taken during the term, the applicable Title IV guidelines requiring schools to document attendance when a student receives all F grades also apply to the Minnesota State Grant program. If the school determines that the student never attended a class or classes, the State Grant award for the term must be recalculated to exclude the credits for the classes the student never attended and the overpayment refunded to the State Grant program prior to any refund taking place for other classes the student did attend but did not complete.

For example, a student enrolls and receives a State Grant disbursement for 15 credits at the onset of the term. The student then receives a grade of F in all courses for the term. The school determines the student never attended one 3-credit class, did attend and complete three 3-credit classes and did attend but stopped attending another 3-credit class. In this case, a refund would not be required for the Pell Grant program since the student attended at least one class and, therefore, earned the F grade. However, for Minnesota State Grant, the award must first be recalculated to exclude the 3-credit class the student never attended and any overpayment refunded to the program prior to completing the Refund Calculation Worksheet (Appendix 13) to determine the refund for the one 3-credit class the student attended but did not complete (that is, an unofficial withdrawal).

The state does not impose any stricter requirements upon schools to document attendance in these cases beyond those already in place for Title IV financial aid programs. In other words, if the school first documents the student did attend at least one class and is, therefore, eligible for the federal Pell Grant, the state does not require the school to document attendance in all classes for the term.

7. Withdrawal for Military Service or Service-Related Medical Condition

When a student must withdraw from school for military service, the standard refund policy for withdrawals is used. However, state law provides special options for students whose postsecondary education at a Minnesota school is affected due to military service or a

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service-related disability. The applicable law can be accessed at www.revisor.leg.state.mn.us/leg/statutes.asp by retrieving Statute 192.502.

X. Accounting and Audit Requirements

A. General

Each institution must designate an employee(s) as the institutional representative to perform or supervise all financial and accounting activities related to the Minnesota State Grant program. Auditors from the Office of Higher Education will periodically visit each participating school to perform an audit. Schools have the option of hiring a private auditing firm to conduct the audit of state aid programs in conjunction with an audit of federal financial aid programs. (See also ‘Audits’ under ‘Common Definitions’ chapter for criteria for hiring independent auditing firm.)

Each participating school must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar’s Office, but that choice is made by the school.

The school must make available all pertinent books, documents, papers and records for audit and examination for three years after the last day of a fiscal year or until all audit exceptions for the period are resolved.

Upon request by the school, the Agency will supply an updated State Grant program audit guide.

B. Documentation of Student Eligibility

All schools must have written documentation that the student meets all of the program eligibility requirements described in the ‘Student Eligibility’ section in this chapter.

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With respect to written documentation of enrollment status, the actual documentation, such as a fee statement or transcript, need not be kept at the financial aid office but must be readily available at the registrar's office or other responsible department within the school.

C. Documentation of State Grant Receipts, Disbursements and Refunds

1. General Ledger

All schools must maintain an audit trail in the form of a general ledger (see Appendix 14 for example) by state fiscal year that tracks the following transactions:

- the date and amount of State Grant funds sent by the Agency to the institution;
- the date and amount of State Grant funds disbursed by the institution to students. The institution should keep supporting documentation for disbursement entries that identifies the amount of State Grant funds disbursed to the student by check or deposited in the student's institutional or bank account by student name and social security number. The institution must reconcile financial aid records to business office records regarding the amount of State Grant paid to each student;
- the date and amount of State Grant refunds or repayments from students deposited back into the institution's State Grant account on campus. The institution should keep supporting documentation for refund entries that identifies the amount of State Grant funds deposited back into the institution's State Grant account for each student by student name and social security number. The school must also keep a copy of the refund calculation worksheet, or the school's facsimile, used to calculate the State Grant refund; and
- the date and amount of State Grant funds returned to the Agency by the institution at the end of each fiscal year.

D. Reconciliation

1. Reconciling State Grant Disbursement Records

At the end of each fiscal year, the financial aid office needs to reconcile its record of State Grant disbursements with:

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- the Agency’s records of State Grant disbursements, and
- the institution’s business office records of State Grant disbursements.

To complete the reconciliation, the financial aid office needs to ensure the total amount listed as disbursed to eligible students agrees with both the business office and the Agency’s total.

In addition, the financial aid office needs to verify that they have the same amount disbursed to each student as the business office and the Agency. This process includes, but is not always limited to, the following steps:

STEP 1. The institution selects their official record of State Grant disbursements. This must be the record used to submit batches to the Agency and can be maintained by the financial aid office or the business office.

STEP 2. Institution determines that its official record and the Agency records agree by verifying:

- all disbursements of State Grant funds have been submitted to the Agency,
- that there are no outstanding rejected payments, and
- the total amounts disbursed by the institution and the total amount of payments accepted by the Agency agree.

[Note: If the institution is not able to transmit payment data to the Agency due to software errors, the Agency will not grant the school credit for those payments.]

STEP 3. Institution determines that the records of the business office and the financial aid office are in agreement. If appropriate, any differences should be corrected by adjusting the non-official State Grant disbursement record. If the school needs to adjust its official record, the institution must repeat Step 2.

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The student must be eligible to receive any increased award payments made to him or her as part of the reconciliation process.

This part of the reconciliation should establish that:

- the business office and the financial aid office recorded the same total disbursements, and
- for each student, the business office and the financial aid office recorded the same disbursements.

2. Reconciliation Summary Report

Reconciliation between the school and the Agency occurs each time the school submits a batch of student records reflecting payments to date. The Reconciliation Summary Report generated during batch processing reflects the amount of funds advanced to the school, the amount of payments in the current batch accepted by the Agency, and the remaining balance due the Agency at the end of the academic year.

3. Return of Excess Funds

The school must return all excess funds to the Agency no later than August 1 following the close of the academic year. Schools must also honor any requests for return of excess cash balances sent by the Agency throughout the aid year and return the requested amount within 10 days of receiving the request. (See Appendix 19 for further information about this report.)

E. Utilization of State Grant Fund Interest Earnings

Schools are allowed to utilize any interest earnings on State Grant funds advanced to the institution to offset administrative costs incurred by the financial aid office from administering the State Grant program on a decentralized basis.

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F. Prohibition Against Charging Student Fees

The school shall not, under any circumstances, collect from State Grant applicants or recipients any special fees for charges to directly cover the cost of administering the State Grant program.

G. Student Account Requirement

If a school maintains student accounts, the school must provide the student with an itemized statement of the account at least annually and upon termination of enrollment. (See also ‘Student Authorization’ under ‘Disbursement Process’ section of this chapter.)

H. Summary of State Audit Requirements: Institutional Documentation for the Minnesota State Grant Program

At a minimum, each school must be able to produce the following for auditors:

1. individual student financial aid files for State Grant recipients;
2. documentation that students meet program eligibility requirements as outlined under ‘Student Eligibility’ in this chapter;
3. documentation of the need analysis results used to calculate the student’s State Grant award;
4. documentation of the student’s enrollment level at the time of State Grant disbursement;
5. documentation of the disbursement dates of payments to individual award recipients;
6. written documentation of refund calculations for individual award recipients [e.g., copy of Refund Calculation Worksheet (Appendix 13) or the school’s facsimile];
7. written documentation of individual student refund amounts and the date these State Grant funds were returned to the school’s State Grant account;
8. written definition of “satisfactory academic progress” and a policy which conforms to both federal and state requirements;
9. written definitions of “full-time student,” “three-quarter time student,” “half-time student,” and “less than half-time student” for purposes of Federal Title IV programs; and
10. documentation of the unusual circumstances requiring a professional judgment change of dependency status or adjustment of EFC or cost of attendance.

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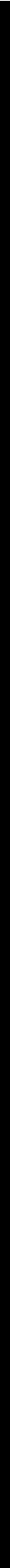
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136A.121 Grants.

Subdivision 1. [Repealed, 1989 c 293 s 85]

Subd. 2. **Eligibility for grants.** An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;
- (3) has met the financial need criteria established in Minnesota Rules;
- (4) is not in default, as defined by the office, of any federal or state student educational loan; and
- (5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages.

Subd. 3. **Allocation.** Grants must be awarded on a funds available basis to those applicants who meet the office's requirements.

Subd. 4. [Repealed, 1989 c 293 s 85]

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

- (1) the assigned student responsibility of at least 46 percent of the cost of attending the institution of the applicant's choosing;
- (2) the assigned family responsibility as defined in section 136A.101; and

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(3) the amount of a federal Pell grant award for which the grant applicant is eligible. The minimum financial stipend is \$100 per academic year.

Subd. 6. Cost of attendance.

- (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or the tuition and fee maximums established in law.
- (b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership.

Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Subd. 7. Insufficient appropriation. If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, awards must be reduced by:

- (1) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and
- (2) a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

The reduction under clauses (1) and (2) must be equal dollar amounts.

Subd. 7a. Surplus appropriation. If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the

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living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium.

Subd. 8. [Repealed, 1Sp1985 c 11 s 81]

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Subd. 9a. **Full-year grants.** Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any federal Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Subd. 10. [Repealed, 1Sp1993 c 2 art 2 s 26]

Subd. 11. **Renewal conditions.** Each grant is renewable, contingent on continued residency in Minnesota, satisfactory academic progress, recommendation of the eligible institution currently attended, and evidence of continued need.

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Subd. 12. **Annual application.** To continue to receive a grant, the student must apply for renewal each year.

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is 30 days after the start of that term.

Subd. 14. [Repealed, 1Sp1985 c 11 s 81]

Subd. 15. [Repealed, 1989 c 293 s 85]

Subd. 16. **How applied; order.** Grants awarded under this section must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Subd. 17. **Independent student information.** The office shall inform students in its financial aid publications about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Subd. 18. **Data.**

- (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.
- (b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the director that is directly related to the responsibilities of the office under this chapter and chapter 141. The director may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Subd. 19. **Reporting.** By November 1 and February 15, the Office of Higher Education must provide, to the committees of the legislature with jurisdiction over higher education finance and policy, updated state grant spending projections taking into account the most current and projected enrollment and tuition and

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fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the Office of Higher Education must meet and consult with representatives of public and private postsecondary institutions, the Department of Finance, the Governor's Office, legislative staff, and financial aid administrators.

History: 1971 c 862 s 4; 1975 c 271 s 6; 1975 c 390 s 5; 1977 c 384 s 2; 1977 c 449 s 16; 1979 c 238 s 1-4; 1981 c 359 s 15,16; 1983 c 258 s 42; 1984 c 654 art 4 s 21; 1Sp1985 c 11 s 30-42; 1987 c 258 s 12; 1987 c 401 s 17,18; 1989 c 246 s 2; 1989 c 293 s 27; 1991 c 292 art 5 s 2; 1991 c 356 art 8 s 6-8; 1992 c 513 art 1 s 13; 1993 c 340 s 1; 1Sp1993 c 2 art 2 s 9,10; 1994 c 532 art 2 s 5; 1995 c 212 art 3 s 22-26,59; 1997 c 183 art 2 s 4,5; 1998 c 384 s 8; 1999 c 214 art 2 s 5; 1Sp2001 c 1 art 2 s 10,11; 2002 c 220 art 5 s 5; 2002 c 374 art 5 s 1; 2003 c 133 art 2 s 9-13; 2005 c 107 art 2 s 17-22; 2005 c 164 s 29; 1Sp2005 c 7 s 28

NOTE: The additional semester or the equivalent of grant eligibility under subdivision 9, as amended by Laws 2005, chapter 107, article 2, section 20, applies to any student who withdrew from enrollment in a postsecondary institution after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c. Laws 2005, chapter 107, article 2, section 59.

136A.131 Accounting and Records.

Subdivision 1. **Accounts.** The office shall establish and maintain appropriate accounts and related records of each recipient of a grant.

Subd. 2. **Rules, payment and accounting.** The office shall provide by rule the method of payment of the grant awarded and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. **Certification to commissioner of finance.** Upon proper verification for payment of a grant, the office shall certify to the commissioner of finance the amount of the current payment to be made to the grant recipient in conformance with the rule of the office governing the method of payment.

Subd. 4. **Recovery of overpayments.** A recipient of a grant must reimburse the office for overpayment. The amount of reimbursement is the difference between the amount received and the amount of actual

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entitlement as calculated by the office after it makes its final findings under section 136A.121 and rules implemented under that section. The amount of reimbursement may include any costs or expenses, including reasonable attorney fees, incurred by the agency in collecting the debt. The reimbursement is recoverable from the recipient or the recipient's estate. The agency may institute a civil action, if necessary for recovery.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

History: 1971 c 862 s 5; 1973 c 492 s 14; 1975 c 271 s 6; 1989 c 293 s 30; 1995 c 212 art 3 s 59

136A.1311 Cash Flow.

The Minnesota Office of Higher Education may ask the commissioner of finance to lend general fund money to the grant account to ease cash flow difficulties. The Minnesota Office of Higher Education must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state grant program is appropriated to the commissioner of finance for loans to the Minnesota Office of Higher Education.

History: 1991 c 356 art 8 s 14; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60



**Office of
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4830.0200 SCOPE.

Parts 4830.0200 to 4830.0700 govern state grants.

Stat Auth: MS s 136A.04; 136A.111; 136A.121; 136A.132; 136A.141; 136A.16; 136A.233; 136A.234; 136A.70

Hist: 8 SR 196; 8 SR 2335; 9 SR 991; 15 SR 1780

4830.0300 ELIGIBLE SCHOOLS.

Subpart 1. **Annual list.** Annually the director shall approve a list of schools at which a state grant may be used. Schools may be added to the list by the director anytime during the school year.

Subp. 2. **Requirements.** To be eligible a school must:

- A. be located in Minnesota;
- B. offer at least one program that:
 - (1) is vocational or academic in nature;
 - (2) leads to a certificate or degree;
 - (3) is at least eight weeks long; and
 - (4) involves at least 12 academic credits or 300 clock hours;
- C. be:
 - (1) accredited by a federally recognized accrediting agency or association;
 - (2) approved to offer degrees or use terms in its name according to part 4840.0500; or
 - (3) licensed by an appropriate state agency;
- D. sign an institutional agreement with the director; and
- E. have the necessary administrative computing capability to administer the program on campus and electronically report student data records to the office.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.121; 136A.132; 136A.141; 136A.16; 136A.233; 136A.234; 136A.70

Hist: 8 SR 196; 8 SR 2335; 9 SR 991; 9 SR 2341; 15 SR 1780; 18 SR 1141; 20 SR 2284; 24 SR 518

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4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

Subpart 1. **Date.** Annually the office shall adopt by resolution a date after February 14, by which all applications must be filed to receive an award.

Subp. 2. [Repealed, 15 SR 1780]

Subp. 2a. **Out-of-state housing.** A student's Minnesota residence is not lost if the student or parent must live outside of Minnesota for purposes of postsecondary education, military service, or missionary work, provided the student or parent continues to claim Minnesota as the state of legal residence for income tax purposes.

Subp. 3. [Repealed, 15 SR 1780]

Subp. 4. **Eligibility for initial grant.** To be eligible for an initial grant a student must be an eligible student, as defined in part 4830.0100, subpart 5, except item D, and:

- A. demonstrate financial need;
- B. if under 17 years old, hold a high school diploma or the equivalent;
- C. pursuing a program or course of study that applies to a degree, diploma, or certificate;
- D. must not have received a previous Minnesota state grant; and
- E. is not more than 30 days in arrears for any child support payments owed to a public agency responsible for child support enforcement or, if the student is more than 30 days in arrears, is complying with a payment plan for arrearages.

Subp. 5. **Renewal awards.** A grant is renewable for a maximum of six semesters, nine quarters, or the equivalent, but must not continue after the first of the following occurrences:

- A. the recipient has obtained a baccalaureate degree; or
- B. the recipient has been enrolled on a full-time basis for eight semesters, 12 quarters, or the equivalent, taking into account the exclusions specified in Minnesota Statutes, section 136A.121, subdivision 9.

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To be eligible to renew a grant a student must apply each year and continue to meet the requirements for an initial grant, except for subpart 4, item D. A student must have made satisfactory academic progress as defined in Minnesota Statutes, section 136A.101, subdivision 10.

Subp. 5a. **Child support arrearages.** A grant is not renewable if the recipient is more than 30 days in arrears for any child support payment owed to a public agency responsible for child support enforcement and not subject to a payment plan for arrearages or not in compliance with a payment plan for the arrearages.

Subp. 6. [Repealed, 18 SR 1141]

Subp. 7. **Minnesota correctional institution.** “Minnesota correctional institution” means a federal or state penal institution located in Minnesota in which students are eligible for grants under this rule pursuant to Minnesota Statutes, section 136A.121, subdivision 6.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 8 SR 2335; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 16 SR 1822; 18 SR 1141; L 1995 c 212 art 3 s 59; 20 SR 2284

4830.0500 [Repealed, 18 SR 1141]

4830.0600 AWARDS.

Subpart 1. [Repealed, 23 SR 594]

Subp. 1a. [Repealed, 23 SR 594]

Subp. 1b. [Repealed, 13 SR 128]

Subp. 1c. [Repealed, 13 SR 128]

Subp. 1d. [Repealed, 13 SR 128]

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Subp. 1e. **Awards for fourth quarter or third semester.** In calculating a state grant for the fourth quarter or third semester within a fiscal year, the award shall be calculated as specified in Minnesota Statutes, section 136A.121, subdivisions 5 and 9a.

Subp. 2. [Repealed, 28 SR 889]

Subp. 3. [Repealed, 10 SR 2319]

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 8 SR 2335; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 20 SR 2284; 23 SR 594; 28 SR 889

4830.0700 METHOD OF PAYMENT.

Subpart 1. **Payments to schools.** After a grant award is determined, the award amount shall be sent by the director to the school chosen by the recipient or the school shall withdraw the award amount from its state grant account. The school shall apply the award to the recipient's educational costs in the following order: tuition, fees, books, supplies, and other expenses. The costs must be prorated for each term of the academic year. The school shall notify each recipient that the award is ready for disbursement.

Subp. 2. **Refunds.** A grant is awarded for full-time attendance at a specified school for up to four quarters or three semesters within the state fiscal year. If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the award. If the director determines that a school has fraudulently handled grant money, the refund of the unused portion of the award is immediately due, and the office may institute a civil action for recovery if necessary. Refunds to the office are determined as follows:

- A. calculate the percentage the state grant award represents of the student's total financial aid package for the applicable term, excluding funds received from federal Title IV programs, United States Code, title 20, sections 1070-1099;
- B. calculate the total tuition refund amount using the refund calculation required of schools participating in federal Title IV programs;

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- C. subtract the federal aid programs' refund amount from item B to determine the remaining tuition refund amount; and
- D. multiply the percentage in item A by the amount calculated in item C to determine the amount to be refunded to the state grant program.

Refunded money to the state grant program is available for awards to eligible students.

Subp. 3. **School accounting requirements.** Schools shall maintain separate accounts for grant funds. Refunds to the state grant program must be accompanied with a list stating the social security number, name, award type, amount of refund, term, and refund code for each student included in the refund. The refund must be made to the program within 30 days from the end of the academic term, or 30 days from the date the school is notified of a student's withdrawal, whichever is less. Schools must provide evidence, prepared according to generally accepted accounting principles, that all awards have either been distributed or refunded to the program.

Subp. 4. **Recovery of overpayments.** An overpayment occurs when a grant recipient receives more money than the recipient is eligible to receive under the award calculation. A grant recipient shall reimburse the state grant program for overpayment regardless of the cause. The overpayment amount is the difference between the amount received and the calculated award eligibility. The reimbursement amount includes any costs or expenses incurred by the office in collecting the debt, including reasonable attorney fees. The reimbursement is recoverable from the recipient or the recipient's estate. The office may institute a civil action for recovery if necessary.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 18 SR 2482; L 1995 c 212 art 3 s 59; 20 SR 2284

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4830.1000 [Repealed, 10 SR 2417]

4830.1100 [Repealed, 10 SR 2417]

4830.1200 [Repealed, 10 SR 2417]

4830.1300 [Repealed, 10 SR 2417]

4830.1400 [Repealed, 10 SR 2417]

4830.1500 [Repealed, 10 SR 2417]

4830.1550 [Repealed, 18 SR 1141]

4830.1551 [Repealed, 18 SR 1141]

4830.1552 [Repealed, 18 SR 1141]

4830.1553 [Repealed, 18 SR 1141]

4830.1554 [Repealed, 18 SR 1141]

4830.1555 [Repealed, 18 SR 1141]

4830.1560 [Repealed, 18 SR 1141]

4830.1561 [Repealed, 18 SR 1141]

4830.1562 [Repealed, 18 SR 1141]

4830.1563 [Repealed, 18 SR 1141]

4830.1564 [Repealed, 18 SR 1141]

4830.1565 [Repealed, 18 SR 1141]



**Appendices:
Minnesota
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Minnesota State Grant Program Delivery System

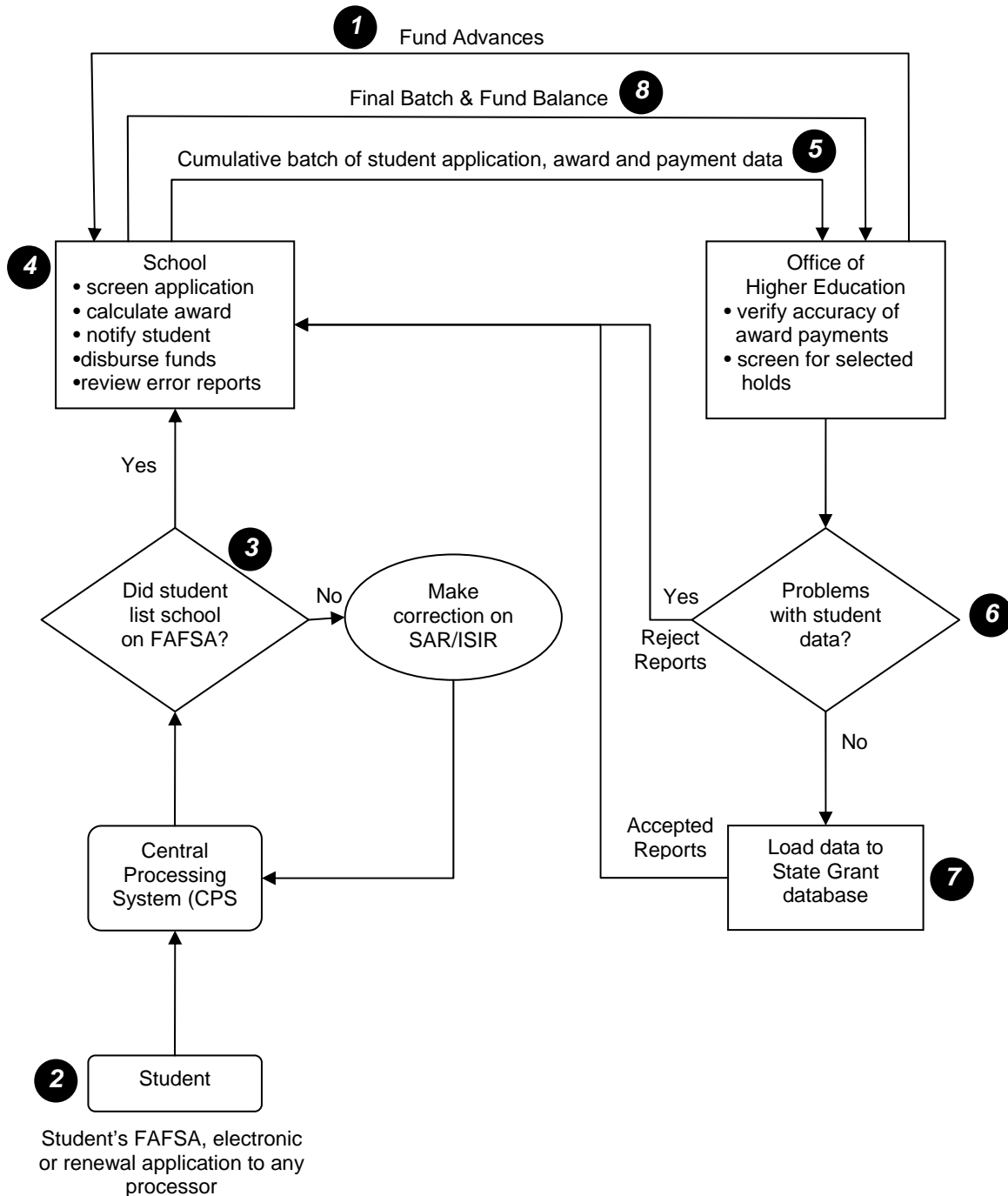
Decentralized Delivery System

- Schools receive student's FAFSA data from federal processor.
- Schools screen applications for program eligibility requirements.
- Schools calculate awards and notify students.
- Schools report DDS records to Office of Higher Education (OHE) each month containing FAFSA, award and payment data.
- The Agency edits for certain eligibility criteria and checks schools' awards/payments for accuracy, generating output reports.
- Schools disburse funds to students and return excess funds to OHE at close of aid year.
- Communication is between student and school.

All participating schools are now on the Decentralized Delivery System for the Minnesota State Grant program.

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State Grant Decentralized Delivery System



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| |
|--|
| MINNESOTA STATE GRANT PROGRAM STUDENT ELIGIBILITY QUESTIONNAIRE AID YEAR: _____ |
|--|

| Student Name: | Social Security Number: | | | | | | |
|--|--|-------------------------------------|----------------------------|-------------------------------------|--|--|--|
| If you graduated from high school, please provide the name and address (city and state) of your high school and the year in which you received your diploma: | If you graduated from high school, please provide the address at which you resided when you received your diploma: | | | | | | |
| | | | | | | | |
| If you did not graduate from high school, did you earn your G.E.D.? ___ Yes ___ No | Please provide the address at which your parents resided when you completed your Free Application for Federal Student Aid (FAFSA): | | | | | | |
| If "yes," in which state? _____ | | | | | | | |
| Please list all the states (or countries) in which you have resided, your dates of residence and your reason for residing (e.g., college, employment, military service, place of birth, etc.) in each state. Please contact the college financial aid administrator if any of the following reasons for residing in Minnesota apply to you or your spouse: active federal military service in MN, you are a spouse or dependent of a veteran who is a MN resident, relocation to MN from presidential disaster area within 12 months of disaster declaration, immediate relocation to Minnesota as refugee from another country. | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Name of State</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>Dates of Residence</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>Reason for Residing in State</u></th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> <td></td> </tr> </tbody> </table> | | <u>Name of State</u> | <u>Dates of Residence</u> | <u>Reason for Residing in State</u> | | | |
| <u>Name of State</u> | <u>Dates of Residence</u> | <u>Reason for Residing in State</u> | | | | | |
| | | | | | | | |
| Please list the names of all schools you have attended after high school and the dates of attendance for each school. Do NOT include college courses taken during high school. If you withdrew from college during a term because you were called up for active military service after December 31, 2002, please make note of this below and provide the necessary documentation to your college financial aid administrator. | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Name of College</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>Dates of Enrollment</u></th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table> | | <u>Name of College</u> | <u>Dates of Enrollment</u> | | | | |
| <u>Name of College</u> | <u>Dates of Enrollment</u> | | | | | | |
| | | | | | | | |
| Note: School should review an academic transcript from each school listed above to correctly assess the amount of postsecondary attendance. | | | | | | | |
| If attending public college in Minnesota, are you receiving tuition reciprocity benefits from a neighboring state? ___ Yes ___ No | | | | | | | |
| <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Student Signature | <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date Form Completed | | | | | | |

| | | | |
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| | |
|--|--|
| This Side for School Use Only | |
| In addition to screening for four years of postsecondary education and Minnesota residency on the reverse side of this form, the school is also responsible for verifying that the student meets the remainder of eligibility requirements for the Minnesota State Grant program shown on this side of the form. | |
| Student has not earned baccalaureate degree prior to the start of the current academic year | Student is not in default on a Federal student loan |
| Student is enrolled in an undergraduate program in course work leading to a diploma, certificate or degree | Student is a high school graduate, GED recipient or will be 17 by the end of the academic year |
| Student is not receiving Tuition Reciprocity benefits from another state (applies only to MN public colleges) | Student meets federal and state requirements for satisfactory academic progress |
| Student will be enrolled for 3 or more credits (or 6 clock hours per week at clock hour school) | * Student does not owe the Office of Higher Education for a State Grant overpayment |
| * Student is not in default on a state SELF loan | * Student is not more than 30 days past due on a child support obligation |
| Student is a U.S. citizen or permanent resident of the United States | Student's FAFSA was received by federal processor within 30 days of term start date |
| * The Office of Higher Education assists schools in screening for these variables by reporting data on the State Grant On-Line Hold Report. | |

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State Grant On-Line Hold Report

State Grant Student Record Search

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| SSN | Aid Year | Student Name | help | DDS/ ISIR rank | SELF hold | SELF hold start date | SELF hold end date | SELF Notification date | Child Support hold | Child Support hold start date | Child Support hold end date | Child Support Notification date | Units > 72 date | help | Units < 72 date | help | Last Transaction |
|-----|----------|--------------|------|----------------------|--------------|-------------------------------|-----------------------------|------------------------------|--------------------------|---|---|--|--------------------|-----------|--------------------|------|---------------------|
| | 2005 | | | 11 | | | | | | | | | 85.6 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 12 | | | | | | | | | 84 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 12 | | | | | | | | | 86.4 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 12 | | | | | | | | | 80 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 95.2 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | DDS | | | | | | | | | 93.6 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 11 | | | | | Y | Jun-04 | | 5/19/2005 | | | | | 5/19/2005 |
| | 2005 | | | 11 | | | | | | | | | 88 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 91 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 92.3 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 11 | | | | | | | | | 105.9 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 15 | | | | | | | | | 105.9 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 93.6 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 12 | | | | | | | | | 79 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | DDS | | | | | | | | | 93.6 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 11 | | | | | | | | | 96 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | May-05 | 6/7/2005 | 5/17/2005 | | | | | 6/7/2005 |
| | 2005 | | | 11 | | | | | | | | | 99.2 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 11 | | | | | | | | | 99.2 | 4/26/2005 | | | 4/26/2005 |
| | 2006 | | | 11 | | | | | | | | | 78.4 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | Y | Aug-04 | | 4/26/2005 | | | | | 4/26/2005 |
| | 2005 | | | DDS | | | | | | | | | 76 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 100.9 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 93.6 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | DDS | | | | | | | | | 95.2 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 12 | | Y | Jan-05 | 4/26/2005 | | | | | 73.1 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 11 | | | | | | | | | 89.6 | 4/26/2005 | | | 4/26/2005 |
| | 2005 | | | 14 | | | | | | | | | 89.2 | 4/26/2005 | | | 4/26/2005 |

| | | | |
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State Grant Student Record Search - Microsoft Internet Explorer provided by MHESO

File Edit View Favorites Tools Help

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Address <https://www.mheso.state.mn.us/SSL/SG/stateGrant2.cfm> Go Links >>

State Grant Student Record Search Results

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6/22/2004

Name **SSN**
XXXXXXXXXX

| Hold Data | | |
|-----------|-------------------|------------------------------|
| Code | Date (month/year) | Description |
| 4CS | 03/04 | * CHILD SUPPORT HOLD 2003-04 |

| Units of Past State Grant Paid | | | | |
|--------------------------------|------------------------|-------|-------|---------|
| Aid Year | School Name | Units | Award | Payment |
| 2003-2004 | CENTURY COLLEGE | 11.2 | 1028 | 1028 |
| 2002-2003 | CENTURY COLLEGE | 7.2 | 1118 | 1118 |
| 2000-2001 | COLLEGE OF VISUAL ARTS | 24 | 4350 | 4350 |
| 1999-2000 | COLLEGE OF VISUAL ARTS | 30.4 | 4205 | 4384 |

| Current Year Enrollment | | | | | | | | | | | |
|-------------------------|------------|----------|------|---------|------|---------|------|---------|------|-----------|------|
| 2003-2004 | | | | | | | | | | | |
| School | Units Paid | Summer I | | Fall | | Winter | | Spring | | Summer II | |
| | | Credits | Paid | Credits | Paid | Credits | Paid | Credits | Paid | Credits | Paid |
| CENTURY COLLEGE | 11.2 | 00 | 0 | 06 | 362 | 0 | 0 | 08 | 666 | 00 | 0 |

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INSTITUTIONAL PARTICIPATION AGREEMENT
MINNESOTA STATE FINANCIAL AID PROGRAMS
(Excluding SELF Loan Program)

WHEREAS, The Minnesota Office of Higher Education (hereinafter “the Agency”) has been designated as the agency to administer the Minnesota State Grant Program, State Work Study Program, Postsecondary Child Care Grant Program, and Safety Officer’s Survivor Grant Program (hereinafter “Programs”); and

WHEREAS, Program recipients must attend an eligible institution pursuant to Minnesota Statutes 136A.101, Subdivision 4, 136A.121, Subdivision 18, and Agency Rules 4830.0300, Subpart 2, unless Minnesota Statutes and/or Agency Rules governing Programs dictate otherwise; and

WHEREAS, _____
(hereinafter “Institution”) desires to be recognized as an eligible institution for one or more of the above mentioned Programs administered by the Agency; and

WHEREAS, the Agency, upon review of the Institution’s application for eligibility as evidenced by the completion of Section XV of this Agreement and by providing the required signatures in this section, the Agency does recognize the Institution as an eligible institution pursuant to Minnesota Statutes 136A.101, Subdivision 4, and Agency Rules 4830.0300, Subpart 2, but does not recognize such eligibility with respect to Programs where Minnesota Statutes and/or Agency Rules governing the Programs dictate otherwise;

THEREFORE, the parties agree to the following terms and conditions:

I. Designation of Institutional Employee(s)

The Institution must designate an employee(s) as the Institutional Representative(s) to perform or supervise all financial aid and accounting activities.

II. Limitation of Institutional Participation

An Institution is eligible to participate in the Programs subject to program eligibility limitations specified in Minnesota Statutes and Agency Rules governing the Programs.

III. Program Administration

Both parties to this agreement agree to administer the Programs in accordance with all Federal and Minnesota State Statutes and Agency Rules governing the Programs and the Program policies and procedures contained in the most current version of the Agency’s *Minnesota Financial Aid Manual*.

This agreement is subject to all subsequent changes in both Federal and Minnesota State Statutes and Agency Rules governing the Programs, and Program policies and procedures contained in the most current version of the Agency’s *Minnesota Financial Aid Manual*.

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Both parties acknowledge that the pertinent Program chapters of the Agency's *Minnesota Financial Aid Manual* will be updated on an annual basis and that written directives concerning Program policies and procedures issued by the Agency in the interim will have the full force and effect of the Agency's *Minnesota Financial Aid Manual*, until they are so incorporated.

IV. Terms of the Agreement

This Agreement shall be effective July 1, 2008, or upon final execution, whichever is later, and shall remain in force until modified by mutual consent by both parties or terminated as hereafter provided.

V. Modification or Termination of Agreement

The Agreement may be modified at any time upon mutual agreement of both the Agency and the Institution.

The Agency or the Institution may terminate this Agreement at any time with or without cause upon thirty (30) days written advance notice to the other party. Termination shall be effective on the termination date given in the written notice. All requirements of the agreement related to monies received shall remain in effect until resolved.

VI. Assignment

The Institution shall neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the Agency.

VII. Amendments

Any amendments to this Agreement shall be in writing.

VIII. Audits

The books, records, documents, and accounting procedures, and practices of an outside party, if applicable and relevant to this Agreement, shall be subject to examination by the Agency and the Legislative auditors.

IX. Affirmative Action

When applicable, the Institution must certify that it has received a certificate of compliance from the Commission of Human Rights pursuant to Minnesota Statutes, Section 363.073.

X. Workers' Compensation

In accordance with the provisions of Minnesota Statutes 176.182, the Agency affirms that the Institution has provided acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes 176.181, Subdivision 2.

| | | | |
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XI. Antitrust

The Institution hereby assigns to the State of Minnesota any and all claims for overcharges as to goods and/or services provided in connection with this Agreement resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

XII. Voter registration

If the Institution is a state agency or a community based public agency or a non-profit corporation, it shall provide non-partisan voter registration services and assistance, using forms provided by the state, to employees of the institution and the public as required by Minnesota Statutes Section 201.162.

XIII. Sexual Harassment and Violence Policy

All eligible institutions, as defined in Minnesota Statutes 136A.101, Subdivision 4, must adopt a Sexual Harassment and Violence Policy, as outlined in Minnesota Statutes 135A.15.

XIV. Data Practices

The Institution, whether public or private, and the Agency, will maintain and handle all confidential, private and non-public data pursuant to the Minnesota Data Practices Act (“Act”) (Minn. Stat. Chapter 13) in the administration of the Programs. The Institution and the Agency agree that each will be responsible for its own acts or omissions relative to compliance with the Act, and the results of such acts or omissions, to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof.

| | | | |
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XV. Certification

| | |
|---|------------------|
| 1. Name of Institution | |
| | (type or print) |
| 2. Full Address | |
| | (type or print) |
| | |
| | (type or print) |
| 3. The six digit code assigned to the school by the U.S. Department of Education: | |
| | _____ |
| | (FAFSA Code) |
| 4. Name and Telephone Number of the Director of Financial Aid: | |
| | () |
| Name | Telephone Number |

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed intending to be bound thereby.

APPROVED INSTITUTION

President, Chief Executive Officer

Name: _____

Signature: _____

Date: _____

Financial Aid Director

Name: _____

Signature: _____

Date: _____

Chief Fiscal Officer/Business Manager

Name: _____

Signature: _____

Date: _____

MINNESOTA OFFICE OF HIGHER EDUCATION

Director of Financial Services

Name: Tim Geraghty

Signature: _____

Date: _____

As to Form and Execution

Director of Human Resources and Agency Services

Name: Mary Lou Dresbach

Signature: _____

Date: _____

| | | |
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Guidelines for Verifying State Grant Eligibility Requirements

| Eligibility Requirement | Data Triggering Eligibility Verification* and Suggested Documentation |
|--|--|
| U.S. Citizen or Eligible Non-Citizen | FAFSA citizenship questions; Federal Homeland Security and SSA cross-check. Verification documentation the same as for Title IV programs. |
| Undergraduate Program No Baccalaureate Degree | FAFSA degree questions, school's records. Transcripts or other academic records must prove student does not have a baccalaureate degree and is enrolled in an undergraduate program. |
| Federal Loan Default | CPS interface with federal loan default data base (NSLDS); financial aid transcripts. Verification documentation the same as for Title IV programs. |
| Minnesota Residency | FAFSA parent and student state and date of legal residence; address state; admissions records may possibly hold state of high school graduation or GED and whether student is paying resident tuition other than through a reciprocity agreement; institutional form should be used to obtain data not on FAFSA (state of high school graduation/GED, whether family resided in Minnesota during high school attendance, date student last moved to Minnesota, when student started postsecondary education in Minnesota, purpose for residing in Minnesota). Documentation must verify that student graduated from a Minnesota high school while residing in Minnesota or student earned a GED in Minnesota after living here 12 months or dependent students' parents resided in Minnesota when FAFSA was completed or student lived in Minnesota 12 months before starting college on a half-time basis or more. Twelve month requirement is waived for: students or spouses stationed in MN for active federal military service; students who are a dependent or spouse of a veteran who is a Minnesota resident; students (or spouses of) who relocated to MN from an area declared a presidential disaster area within the 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education; persons defined as refugees under USC Title 8 who, upon arrival in the U.S., immediately resettled in MN and have continued to reside in MN. (Refer to 'Common Definitions' chapter of this manual for definition and documentation of MN residency.) |
| Not Receiving Tuition Reciprocity Benefits from Another State | Admissions, business office and registration records. |

*Data triggering selection for eligibility verification is not all inclusive. Schools may have other sources that cause schools to question eligibility.

| | | |
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| Eligibility Requirement | Data Triggering Eligibility Verification* and Suggested Documentation |
|--|--|
| Four Years of Postsecondary Education | FAFSA year in college and degree questions. Institutional form should ask student to list all colleges attended and dates of enrollment. Academic transcripts must be reviewed to determine units of postsecondary education attended. (Refer to State Grant manual for instructions on reviewing transcripts.) The Agency's State Grant On-Line Hold Report (Appendix 3) shows units of State Grant paid to the student in prior years. Schools can also access this data using the State Grant Web Access Screen (Appendix 4). |
| 17 Years Old or High School Diploma/GED (High school students taking college courses are not eligible for State Grant) | FAFSA date of birth and high school graduation/GED response. Documentation must prove student will be 17 or older by June 30th of the academic year or have high school diploma/GED. Suggested documentation would be high school diploma or GED certificate or birth certificate. |
| Enrolled 3 Credits or More in Program Leading to Degree, Diploma or Certificate | School's registration records. School must verify coursework is applicable towards degree, diploma or certificate. Pell Grant eligible credit equivalencies should be counted towards enrollment status. |
| Satisfactory Academic Progress | School's policy must conform with federal policy and state definition of satisfactory progress found in 'Common Definitions' chapter. |
| State Grant Overpayment | The Agency stores data on its database about students who owe for a State Grant overpayment and controls this eligibility criteria by informing schools about students on hold. Student must repay the Agency in full or enter into a repayment plan. School can also access data using State Grant Web Access Screen (Appendix 4) or State Grant On-Line Hold Report (Appendix 3). |
| SELF Loan Default | The Agency stores this data on its database and controls this eligibility criteria by informing schools about students on hold. Student must repay loan in full or enter into a repayment plan. School can also access data using State Grant Web Access Screen (Appendix 4) or State Grant On-Line Hold Report (Appendix 3). |
| Child Support Arrears | The Agency loads data from Human Services Department onto its database and controls this eligibility requirement by informing schools about students on hold. School can also access data using State Grant Web Access Screen (Appendix 4) or State Grant On-Line Hold Report (Appendix 3). DHS must send electronic notification to the Agency that student has repaid past due amount or entered into repayment plan. |

*Data triggering selection for eligibility verification is not all inclusive. Schools may have other sources that cause schools to question eligibility.

| | | | |
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Student's Name:

Social Security #:

Minnesota State Grant Program Transcript Review Worksheet
Aid Year: _____

| Units for Pre-July 1, 1992 Coursework | | Units for Post-July 1, 1992 Coursework | | |
|---|--------------------|--|---------------|----------------|
| Quarter Credits | Semester Credits | Credits | Quarter Units | Semester Units |
| 12+ = 8 Units | 12+ = 12 Units | 15+ | 8 | 12 |
| 11-9 = 6 Units | 11-9 = 9 Units | 14 | 7.5 | 11.2 |
| 8-6 = 4 Units | 8-6 = 6 Units | 13 | 6.9 | 10.4 |
| 5-0 = Bank Credits | 5-0 = Bank Credits | 12 | 6.4 | 9.6 |
| <p>* Translating total quarter bank credits to units. Divide total quarter bank credits by 12 to determine number of full-time quarters. Multiply whole number portion of result by 8 units and assign units to any remaining portion of result as follows: .00-.49 = 0 units; .50-.74 = 4 units; .75-.99 = 6 units. Example: Total quarter bank credits = 32 credits divided by 12 = 2.66 FT quarters = 20 units (2.00 x 8 units = 16 units; .66 = 4 units.)</p> <p>** Translating total semester bank credits to units. Divide total semester bank credits by 12 to determine number of full-time semesters. Multiply whole number portion of result by 12 units and assign units to any remaining portion of result as follows: .00-.49 = 0 units; .50-.74 = 6 units; .75-.99 = 9 units. Example: Total semester bank credits = 32 credits divided by 12 = 2.66 FT semesters. 2.66 FT semesters = 30 units (2.00 x 12 units; .66 = 6 units.)</p> <p>*** Total Units. After translating banked credits to units, add all units for total units. Four full-time years = 96 units. However, schools on the quarter system may exceed the maximum by disbursing one more quarter of aid to a student who has not exceeded 94.4 units. The corresponding cutoff for semester system schools is 93.6 units.</p> | | 11 | 5.9 | 8.8 |
| | | 10 | 5.3 | 8.0 |
| | | 9 | 4.8 | 7.2 |
| | | 8 | 4.3 | 6.4 |
| | | 7 | 3.7 | 5.6 |
| | | 6 | 3.2 | 4.8 |
| | | 5 | 2.7 | 4.0 |
| | | 4 | 2.1 | 3.2 |
| | | 3 | 1.6 | 2.4 |
| | | 2 | 1.1 | 1.6 |
| 1 | .5 | .8 | | |

| Quarter School Name | Term | Year | Credits | Units | Bank Credits | Semester School Name | Term | Year | Credits | Units | Bank Credits | |
|-----------------------------|------|------|---------|-------|--------------|---------------------------------------|------|------|---------|-------|--------------|----------------|
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| | | | | | | | | | | | | |
| Total Banked Credits | | | | N/A | | Total Banked Credits | | | | N/A | | |
| Total Quarter Units | | | | * | | Total Semester Units | | | | ** | | |
| Total Units *** | | | | | | Terms of remaining eligibility | | | | | | Date Reviewed: |

| | | | |
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Student's Name: *Student Smith*

Social Security #: *444-44-4444*

Minnesota State Grant Program Transcript Review Worksheet

Aid Year: _____

| Units for Pre-July 1, 1992 Coursework | | Units for Post-July 1, 1992 Coursework | | |
|---|--------------------|--|---------------|----------------|
| Quarter Credits | Semester Credits | Credits | Quarter Units | Semester Units |
| 12+ = 8 Units | 12+ = 12 Units | 15+ | 8 | 12 |
| 11-9 = 6 Units | 11-9 = 9 Units | 14 | 7.5 | 11.2 |
| 8-6 = 4 Units | 8-6 = 6 Units | 13 | 6.9 | 10.4 |
| 5-0 = Bank Credits | 5-0 = Bank Credits | 12 | 6.4 | 9.6 |
| <p>* Translating total quarter bank credits to units. Divide total quarter bank credits by 12 to determine number of full-time quarters. Multiply whole number portion of result by 8 units and assign units to any remaining portion of result as follows: .00-.49 = 0 units; .50-.74 = 4 units; .75-.99 = 6 units. Example: Total quarter bank credits = 32 credits divided by 12 = 2.66 FT quarters = 20 units (2.00 x 8 units = 16 units; .66 = 4 units.)</p> <p>** Translating total semester bank credits to units. Divide total semester bank credits by 12 to determine number of full-time semesters. Multiply whole number portion of result by 12 units and assign units to any remaining portion of result as follows: .00-.49 = 0 units; .50-.74 = 6 units; .75-.99 = 9 units. Example: Total semester bank credits = 32 credits divided by 12 = 2.66 FT semesters. 2.66 FT semesters = 30 units (2.00 x 12 units; .66 = 6 units.)</p> <p>*** Total Units. After translating banked credits to units, add all units for total units. Four full-time years = 96 units. However, schools on the quarter system may exceed the maximum by disbursing one more quarter of aid to a student who has not exceeded 94.4 units. The corresponding cutoff for semester system schools is 93.6 units.</p> | | 11 | 5.9 | 8.8 |
| | | 10 | 5.3 | 8.0 |
| | | 9 | 4.8 | 7.2 |
| | | 8 | 4.3 | 6.4 |
| | | 7 | 3.7 | 5.6 |
| | | 6 | 3.2 | 4.8 |
| | | 5 | 2.7 | 4.0 |
| | | 4 | 2.1 | 3.2 |
| | | 3 | 1.6 | 2.4 |
| | | 2 | 1.1 | 1.6 |
| 1 | .5 | .8 | | |

| Quarter School Name | Term | Year | Credits | Units | Bank Credits | Semester School Name | Term | Year | Credits | Units | Bank Credits |
|---|-------------|--------------|-------------|-------------------------------|---------------------------------------|-----------------------------|---------------------|--------------|------------------------------|-----------------------------|--------------|
| <i>Mankato State Univ.</i> | <i>Fall</i> | <i>89-90</i> | <i>12</i> | <i>8</i> | | <i>Univ. of St. Thomas</i> | <i>Fall</i> | <i>91-92</i> | <i>4</i> | | <i>4</i> |
| " " | <i>Wtr</i> | <i>89-90</i> | <i>10</i> | <i>6</i> | | " " | <i>Sum</i> | <i>90-91</i> | <i>7</i> | <i>6</i> | |
| " " | <i>Spg</i> | <i>89-90</i> | <i>5</i> | | <i>5</i> | " " | <i>Sum</i> | <i>93-94</i> | <i>4</i> | <i>3.2</i> | |
| <i>U of M - Mpls.</i> | <i>Fall</i> | <i>93-94</i> | <i>12</i> | <i>6.4</i> | | <i>Hamline University</i> | <i>Sum</i> | <i>91-92</i> | <i>5</i> | | <i>5</i> |
| " " | <i>Wtr</i> | <i>93-94</i> | <i>10</i> | <i>5.3</i> | | | | | | | |
| " " | <i>Spg</i> | <i>93-94</i> | <i>17</i> | <i>8</i> | | | | | | | |
| " " | <i>Fall</i> | <i>95-96</i> | <i>16</i> | <i>8</i> | | | | | | | |
| " " | <i>Wtr</i> | <i>95-96</i> | <i>14</i> | <i>7.5</i> | | | | | | | |
| " " | <i>Spg</i> | <i>95-96</i> | <i>16</i> | <i>8</i> | | | | | | | |
| " " | <i>Sum</i> | <i>95-96</i> | <i>7</i> | <i>3.7</i> | | | | | | | |
| | | | | | | | | | | | |
| Total Banked Credits | | | N/A | 5 (/12 = .417 FT Qtrs) | | Total Banked Credits | | | N/A | 9 (/12 = 75 FT Sems) | |
| Total Quarter Units | | | 60.9 | *0 | | Total Semester Units | | | 9.2 | **9 | |
| Total Units *** (60.9 + 0 + 9.2 + 9) | | | 79.1 | | Terms of remaining eligibility | | 2 qtrs 2 sem | | Date Reviewed: <i>7/1/97</i> | | |

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2008-2009 STATE GRANT SHARED RESPONSIBILITY TERM AWARD CALCULATION
May 30, 2008

The 2008-2009 State Grant term award calculation is shown below. When prorating/multiplying, results should be rounded up or down to the nearest dollar. (Round up if .50 or higher; down if .49 or lower.) Changes from 2007-2008 underlined in red.

| | |
|---|--|
| <p>+ Average tuition and fees for term</p> <p>(The average tuition and fees for the term is a uniform amount used for all students at an institution and consists of tuition and mandatory fees charged to all full-time students)</p> | <p>Use the lesser of the school's average tuition and fees for 15 credits or the full-time tuition and fee maximum for the term. The four-year full-time tuition and maximum is \$4,919 for a semester and \$3,279 for a quarter. The two-year full-time tuition and fee maximum is \$2,904 for a semester and \$1,936 for a quarter. If the student is enrolled for fewer than 15 credits per term, both the average full-time tuition and fees and the applicable full-time tuition and fee maximum for the term are prorated on a per credit basis for the student's enrollment level (e.g., by 73.3 percent or 11/15ths for a student enrolled for 11 credits) and the lesser of the two is used in the award calculation. The full-time average tuition and fees or the full-time tuition and fee maximum are NOT increased if the student enrolls for more than 15 credits. The tuition and fee maximum used for each student is based on the student's program of study. If the student is enrolled in a four-year degree program, the four-year college tuition and fee maximum is used. If the student is enrolled in a two-year or less program/degree, then the two-year college tuition and fee maximum is used. If the student is paid a State Grant at multiple schools for the same term, the student cannot be paid for more than a total of 15 credits per term. Students enrolled for fewer than three credits per term are not eligible for State Grants.</p> |
| <p>+ Standard Living and Misc Expense Allowance (LME) for Term</p> | <p>The 9-month annual full-time LME in statute (\$6,200) is prorated for the term length (\$3,100 for a semester; \$2,066 for a quarter) and then prorated again if the enrollment level is less than 15 credits (e.g., by 73.3 percent or 11/15ths if the student is enrolled for 11 credits). The LME is NOT increased if the student is enrolled for more than 15 credits. If a student is paid a State Grant at multiple schools for the same term, the total amount of LME used in all the award calculations cannot exceed the LME amount for 15 credits. Progressive clock hour schools with academic years of 900 clock hours must prorate the LME to \$2,536 for a semester or \$1,690 for a quarter before prorating for less than full-time enrollment status. OHE has the authority to make further increases to the LME during the second year of the biennium (2008-2009) to use up any projected surplus of funds.</p> |
| <p>= State Grant Budget for Term</p> | <p>Derived by adding the term tuition and fees to the term LME.</p> |
| <p>- Student Share</p> | <p>46 percent of the State Grant Budget for Term (OHE has authority to adjust this percentage due to projected funding shortfalls).</p> |
| <p>- Parent Contribution for Term</p> | <p>Subtract only for dependent students. Prorate 100 percent of the 9-month annual Federal Methodology need analysis Parent Contribution by term length (50 percent for semester system; 33.33 percent for quarter system). Subtract 96 percent of the term result within the award calculation. Do NOT prorate for less than full-time enrollment. (OHE has the authority to place a percentage surcharge on the PC due to projected funding shortfalls.)</p> |
| <p>- Student Contribution/ EFC for Term</p> | <p>Subtract only for independent students. Prorate 100 percent of the 9-month annual Federal Methodology need analysis Expected Family Contribution (EFC) by term length (50 percent for semester system; 33.33 percent for quarter system). Subtract 86 percent of the term result for independent students with dependents other than a spouse and 68 percent of the term result for independent students without dependents other than a spouse. Do NOT prorate for less than full-time enrollment. (OHE has the authority to place a percentage surcharge on the SC due to projected funding shortfalls.)</p> |
| <p>- Federal Pell Grant Term Award</p> <p>(based on the 2008-2009 Pell Grant Payment Schedule)</p> | <p>Subtract Federal Pell Grant award for term based on student's enrollment level used for the State Grant program. Prorate annual Pell Grant award for student's Pell Grant enrollment level by term length (50 percent for semester system; 33.33 percent for quarter system). Pell Grant enrollment levels are: 12+ credits = full-time, 9-11 credits 3/4-time; 6-8 credits 1/2-time; 1-5 credits less than half-time.</p> |
| <p>= State Grant Term Award</p> | <p>If less than the minimum award of \$50 per semester or \$33 per quarter, set to zero.</p> |

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 1: State Grant award for dependent student enrolled in 4-year degree program taking 17 credits at 4-year public college on semester system. Student has 9-month annual Federal Methodology Parent Contribution of \$1,505 and 9-Month Federal Methodology EFC of \$2,000.

Annual Standard Resident Tuition for 30 semester credits = \$5,000
 Full-Time (15 credits) semester tuition = \$2,500 (must limit tuition to 15 credits)
 Annual mandatory fees* charged to all students for 30 semester credits = \$800
 Full-Time (15 credits) semester fees = \$400 (must limit fees to 15 credits)
 Tuition and Fees for Semester = \$2,900

Annual Tuition and Fee Maximum for 4-Year College = \$9,838
 Tuition and Fee Maximum for Full-Time Semester = \$9,838 X .50 = \$4,919
 (maximum not increased for students taking more than 15 credits)

Tuition used in term award calculation = \$2,500
 Fees used in term award calculation = \$ 400
 \$2,900

LME used in award calculation + \$3,100 (\$6,200 X .50 = \$3,100)
 (15 credit LME not increased for student taking more than 15 credits)

State Grant Budget for Term: = \$6,000

Minus 46% Student Share - \$2,760 (\$6,000 X .46 = \$2,760)

Minus FM Parent Contribution - \$ 723 (\$1,505 X .50 = \$753 X .96 = \$723)

Minus Full-Time Pell Grant - \$ 1,391 (\$2,782 X .50 = \$1,391)

State Grant Award for Term = \$ 1,126 (over minimum semester award of \$50)

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are required. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 2: State Grant award for married independent student without dependents enrolled in 2-year degree program taking 13 credits at 2-year public college with tuition banding on semester system. Student has 9-month annual Federal EFC of \$2,145.

Tuition \$151.63 per credit for student taking 1 - 11 credits
Tuition \$1,820 per semester for student taking 12 - 18 credits
Annual Full-Time Tuition for 30 Semester Credits = \$1,820 X 2 = \$3,640
Tuition for Full-Time (15 credits) Semester = \$1,820
Tuition for 13 Credit Semester = \$1,820 X 13/15ths or 86.7% = \$1,577.94 = **\$1,578**
Annual mandatory fees* charged to all students for 30 semester credits = \$500
Full-Time (15 credits) semester fees = \$250
Fees for 13 credit semester = \$250 X 13/15ths or 86.7% = \$216.75 = **\$217**

Tuition and Fees for 13 Credit Semester = \$1,795

Annual Full-Time (30 semester credits) Tuition and Fee Maximum for 2-Year College = \$5,808
Maximum for Full-Time (15 credits) Semester = \$5,808 X .50 = \$2,904
Maximum for 13 Credit Semester = \$2,904 X 13/15ths or 86.7% = \$2,518

| | | |
|--|---|---------------|
| Tuition used in term award calculation | = | \$1,578 |
| Fees used in term award calculation | = | <u>\$ 217</u> |
| | | \$1,795 |

| | | | |
|-------------------------------|---|----------------|--|
| LME used in award calculation | + | <u>\$2,688</u> | (50% of 13/15 of 15 credit LME of \$6,200) |
| | | | (\$6,200 X .50 = \$3,100) |
| | | | (\$3,100 X .867 = \$2,688) |

| | | |
|------------------------------|---|---------|
| State Grant Budget for Term: | = | \$4,483 |
|------------------------------|---|---------|

| | | | |
|-------------------------|---|---------|---------------------------|
| Minus 46% Student Share | - | \$2,062 | (\$4,483 X .46 = \$2,062) |
|-------------------------|---|---------|---------------------------|

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|-------------------------------|---|--------|---------------------------|
| Minus FM Student Contribution | - | \$ 730 | (\$2,145 X .50 = \$1,073) |
| | | | (\$1,073 X .68 = \$730) |
| | | | (prorated by state) |

| | | | |
|----------------------------|---|-----------------|------------------|
| Minus Full-Time Pell Grant | - | <u>\$ 1,291</u> | (50% of \$2,581) |
|----------------------------|---|-----------------|------------------|

| | | | |
|----------------------------|---|--------|---------------------------------------|
| State Grant Award for Term | = | \$ 400 | (over minimum semester award of \$50) |
|----------------------------|---|--------|---------------------------------------|

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 3: State Grant award for dependent student enrolled in 4-year degree program taking 18 credits at private 4-year college on semester system. Student has 9-month annual Federal Methodology Parent Contribution of \$1,755 and 9-Month Federal EFC of \$2,235.

Annual Tuition \$670 per credit X 30 credits = \$20,100
Tuition for Full-Time (15 credits) Semester = \$20,100 X .50 = \$10,050

Annual mandatory fees* charged to all students for 30 semester credits = \$270
Full-Time (15 credits) semester fees = \$135

Annual Full-Time Tuition and Fee Maximum = \$9,838
Maximum for Full-Time Semester = \$9,838 X .50 = \$4,919
(Full-time private 4-year tuition maximum of \$9,838 for 15 credits not increased for students taking more than 15 credits)

| | | | |
|--|---|-----------------|--|
| Tuition used in term award calculation | = | \$----- | |
| Fees used in term award calculation | = | <u>\$-----</u> | |
| | | \$4,919 | (tuition and fee maximum) |
| LME used in award calculation | + | <u>\$3,100</u> | (\$6,200 X .50 = \$3,100) (15 credit LME not increased for student taking more than 15 credits) |
| State Grant Budget for Term: | = | \$8,019 | |
| Minus 46% Student Share | - | \$3,689 | (\$8,019 X .46 = \$3,689) |
| Minus FM Parent Contribution | - | \$ 843 | (\$1,755 X .50 = \$878 X .96 = \$843) |
| Minus Full-Time Pell Grant | - | <u>\$ 1,241</u> | (\$2,481 X 50%) |
| State Grant Award for Term | = | \$2,246 | (over minimum semester award of \$50) |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 4: State Grant award for single independent student with dependents enrolled in 4-year degree program taking 12 credits at private 4-year college on semester system. Student has 9-month annual Federal Methodology EFC of \$2,241

Tuition \$800 per credit X 30 credits = \$24,000
Tuition for Full-Time (15 credits) Semester = \$24,000 X .50 = \$12,000
Tuition for 12 Credit Semester = \$12,000 X 12/15ths or 80% = \$9,600

Annual mandatory fees* charged to all students for 30 semester credits = \$500
Fees for Full-Time (15 credits) Semester = \$250
Fees for 12 Credit Semester = \$250 X 12/15ths or 80% = \$200

Annual Full-Time Tuition and Fee Maximum = \$9,838
Maximum for Full-Time (15 Credits) Semester = \$9,838 X .50 = \$4,919
Maximum for 12 Credits Semester = \$4,919 X 12/15ths or 80% = \$3,935

| | | | |
|--|-------|--------------------|---|
| Tuition used in term award calculation | = | \$----- | |
| Fees used in term award calculation | = | <u>\$-----</u> | |
| | | \$3,935 | (tuition and fee maximum) |
| LME used in award calculation | + | <u>\$2,480</u> | (\$6,200 X .50 = \$3,100) (\$3,100 X .80 (12/15) = \$2,480) |
| State Grant Budget for Term: | = | \$6,415 | |
| Minus 46% Student Share | - | \$2,951 | (\$6,415 X .46 = \$2,951) |
| Minus FM Student Contribution | - | \$ 964 | (\$2,241 X .50 = \$1,121) (\$1,121 X .86 = \$964) (prorated by state) |
| Minus Full-Time Pell Grant | - | <u>\$1,241</u> | (\$2,481 X .50) |
| State Grant Award for Term | = | \$1,259 | (over semester minimum award of \$50) |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 5: State Grant award for dependent student enrolled in 2-year degree program taking 11 credits at private 4-year college with tuition banding on semester system. Student has 9-month annual FM Parent Contribution of \$2,829 and 9-Month Federal EFC of \$3,414.

Tuition \$680 per credit for student taking 1 - 11 credits
Tuition \$8160 band for students taking 12 - 18 credits = \$8,160
Annual Full-Time (30 semester credits) Tuition = \$16,320
Full-Time (15 Credits) Semester Tuition = \$8,160
Tuition for 11 Credit Semester = \$8,160 X 11/15ths or 73.3% = \$5,981.28 = \$5,981

Annual mandatory fees* charged to all students for 30 semester credits = \$500
Fees for Full-Time (15 credits) Semester = \$500 X .50 = \$250
Fees for 11 Credit Semester = \$250 X 11/15ths or 73.3% = \$183.25 = \$183

Tuition and Fees for 11 Credit Semester = \$6,164

2-Year Annual Tuition and Fee Maximum = \$5,808
Maximum for Full-Time (15 Credits) Semester = \$5,808 X 50% = \$2,904
Maximum for 11 Credit Semester = \$2,904 X 11/15ths or 73.3% = \$2,129

Tuition used in term award calculation = \$-----
Fees used in term award calculation = \$-----
\$2,129 (tuition and fee maximum)

LME used in award calculation + \$2,272 (50% of 11/15 of 15 credit LME of \$6,200)
(\$6,200 X .50 = \$3,100)
(\$3,100 X .733 = \$2,272)

State Grant Budget for Term: = \$4,401

Minus 46% Student Share - \$2,024 (\$4,401 X .46 = \$2,024)

Minus FM Parent Contribution - \$1,358 (\$2,829 X .50 = \$1,415 X .96 = \$1,358)

Minus 3/4-Time Pell Grant - \$ 481 (\$961 X .50 = \$481)

State Grant Award for Term = \$538 (over semester minimum award of \$50)

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 6: State Grant award for single independent student without dependents enrolled in 2-year degree program taking 7 credits at private 2-year vocational college on quarter system. Student has 9-month annual Federal Methodology EFC of \$4,350.

\$250 per credit X 45 quarter credits = \$11,250
Tuition for Full-Time (15 Credits) Quarter = \$3,750
Tuition for 7 Credit Quarter = \$3,750 X 7/15ths or 46.7% = \$1,751.25 = \$1,751

Annual mandatory fees* charged to all students for 45 quarter credits = \$300
Fees for Full-Time (15 credits) Quarter = \$100
Fees for 7 Credit Quarter = \$100 X 7/15ths or 46.7% = \$46.70 = \$47

Tuition and Fees for 7 Credit Quarter = \$1,798

Annual Tuition and Fee Maximum: \$5,808
Maximum for Full-Time (15 Credits) Quarter = \$5,808 X .3333% = \$1,936
Maximum for 7 Credit Quarter = \$1,936 X .467 (7/15ths) = \$904

Tuition used in term award calculation = \$-----
Fees used in term award calculation = \$-----
\$ 904 (tuition and fee maximum)

LME used in award calculation + \$ 965 (\$6,200 X .3333 = \$2,066)
(\$2,066 X .467 (7/15) = \$965)
(15 credit LME prorated for student taking fewer than 15 credits)

State Grant Budget for Term: = \$1,869

Minus 46% Student Share - \$ 860 (\$1,869 X .46 = \$860)

Minus FM Student Contribution - \$ 986 (\$4,350 X .3333 = \$1,450)
(\$1,450 X .68 = \$986)
(prorated by state)

Minus Half-Time Pell Grant - \$ 0 (\$ 0 - no Pell eligibility)

State Grant Award for Term = \$ 0 (Result of \$23 less than \$33 minimum award for quarter)

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 7: State Grant awards for dependent student taking 10 credits at 2-year public college and 7 credits at a private 4-year college both on semester system for the same term. Award calculated and disbursed separately at both schools. Public college was first to report award to OHE for 10 credits, so private 4-year college is limited to using 5 credits of actual tuition and fees, tuition and fee maximum and LME. Student has 9-month annual Federal Methodology Parent Contribution of \$0 and 9-Month Federal Methodology EFC of \$0.

Annual Full-Time Tuition at Public College: \$150 per credit X 30 Semester Credits = \$4,500
Tuition for Full-Time (15 Credits) Semester = \$4,500 X .50 = \$2,250
Tuition for 10 Credit Semester = \$2,250 X 10/15ths or 66.7% = \$1,501

Annual mandatory fees* charged to all students for 30 semester credits = \$600
Fees for Full-Time (15 credits) Semester = \$600 X .50 = \$300
Fees for 10 Credit Semester = \$300 X 10/15ths or 66.7% = \$200

Tuition and Fee Maximum for 2-Year College = \$5,808 X .50 = \$2,904
\$2,904 X 10/15ths or .667 = \$1,937

Award Calculation at Public College for 10 Credits

| | | |
|--------------------------------------|---------------|-------------------------------------|
| Tuition used in term award calc: | \$ 1,501 | |
| Fees used in term award calculation: | <u>\$ 200</u> | |
| | \$1,701 | (actual tuition and fees below cap) |

| | | |
|-------------------------------|------------------|--|
| LME used in award calculation | + <u>\$2,068</u> | (\$6,200 X .50 = \$3,100) (\$3,100 X .667 = \$2,068) (LME would be limited to 8 credits if private college reported first) |
|-------------------------------|------------------|--|

State Grant Budget for Term: = \$3,769

Minus 46% Student Share - \$1,734 (\$3,769 X 46% = \$1,734)

Minus FM Parent Contribution - \$ 0

Minus 3/4-Time Pell Grant - \$1,774 (\$3,548 X .50 = \$1,774)

State Grant Award for Term at 2-Year Public College = \$ 261 (over minimum semester award of \$50)

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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Example 7 (continued)

Annual Full-Time Tuition at Private College: \$800 per credit X 30 credits = \$24,000
 Full-Time Tuition for Semester = \$24,000 X .50 = \$12,000
 Tuition for Remaining 5 Credits of Eligibility = \$12,000 X 5/15ths or 33.3% = \$3,996

Annual mandatory fees* charged to all students for 30 semester credits = \$375
 Fees for Full-Time (15 credits) Semester = \$375 X .50 = \$187.50 = \$188
 Fees for 5 Credits of Remaining Eligibility = \$188 X 5/15ths or 33.3% = \$62.60 = \$63

Annual Tuition and Fee Maximum for 4-Year College = \$9,838
 Maximum for Full-Time (15 credits) Semester = \$9,838 X 50% = \$4,919
 Maximum for Remaining 5 Credits of Eligibility = \$4,919 X .333 (5/15ths) = \$1,638

Award Calculation at Private 4-Year College for 5 Credits

| | | |
|---|------------------|--|
| Tuition and fees used: | \$1,638 | (tuition and fee maximum for 5 credits) |
| LME used in award calculation | + <u>\$1,032</u> | (\$6,200 X .50 = \$3,100) (\$3,100 X .333 (5/15ths) = \$1,032) (10 credits LME used at public college leaving 5 remaining credits of LME) |
| State Grant Budget for Term | = \$2,670 | |
| Minus 46% Student Share | - \$1,228 | (\$2,670 X .46 = \$1,228) |
| Minus Federal Parent Contribution | - \$ 0 | |
| Minus Less Than Half-Time Pell Grant | - <u>\$ 592</u> | (\$1,183 X .50 = \$592) |
| State Grant Award for Term at Private 4-Year College | = \$ 850 | (over minimum semester award of \$50) |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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**Sample 2008-2009 State Grant Term Award Calculations
Using Individualized Tuition and Fees**

Example 8: State Grant award for dependent student enrolled in 4-year degree program taking 10 credits at a 4-year private college and 10 credits at a 2-year public college both on semester system. Credits and costs are combined and the award is calculated and disbursed at the 4-year private college. In this case, average tuition and mandatory fees for 15 credits combined from both schools are compared to the 4-year private college tuition and fee maximum for the student's combined credits. Student has 9-month annual State Parent Contribution of \$0 and 9-Month Federal EFC of \$0.

Annual Full-Time Average Tuition at Private College: \$800 per credit X 30 credits = \$24,000
 Full-Time Tuition for Semester = \$24,000 X .50 = \$12,000
 Tuition for 10 Credits = \$12,000 X 10/15ths or 66.7% = \$8,004

Annual mandatory fees* charged to all students for 30 semester credits = \$375
 Fees for Full-Time (15 credits) Semester = \$375 X .50 = \$187.50 = \$188
 Fees for 10 Credits = \$188 X 10/15ths or 66.7% = \$125.39 = \$126

Annual FT Average Tuition at 2-Year Public College: \$120 per credit X 30 credits = \$3,600
 Full-Time Tuition for Semester = \$3,600 X .50 = \$1,800
 Tuition for 5 Remaining Credits of Eligibility = \$1,800 X 5/15ths or 33.3% = \$599.40 = \$599

Annual mandatory fees charged to all students for 30 semester credits = \$300
 Fees for Full-Time (15 credits) Semester = \$300 X .50 = \$150
 Fees for 5 Credits of Remaining Eligibility = \$150 X 5/15ths or 33.3% = \$49.95 = \$50

10 Credits Tuition and Fees at Private 4-Year College = \$8,130
 5 Credits Tuition and Fees at Public 2-Year College = \$ 649
 \$8,779

Private Tuition and Fee Maximum for 4-Year College for 20 Credits: \$9,838 X .50 = \$4,919
 (15 Credit maximum not increased for students taking more than 15 credits)
 \$8,779 Exceeds Tuition and Fee Maximum of \$4,919, so \$4,919 will be used

Award Calculation at Private 4-Year College for Combined Credits

| | | | |
|---------------------------------|---|----------------|---|
| Tuition and fees used: | | \$4,919 | |
| LME used in award calculation | + | <u>\$3,100</u> | (\$6,200 X .50 = \$3,100) (LME limited to 15 credits per term) |
| State Grant Budget for Term: | = | \$8,019 | |
| Minus 46% Student Share | - | \$3,689 | (\$8,019 X .46 = \$3,689) |
| Minus State Parent Contribution | - | \$ 0 | |
| Minus Full-Time Pell Grant | - | <u>\$2,366</u> | (\$4,731 X .50 = \$2,366) |
| State Grant Award for Term | = | \$1,964 | (over minimum semester award of \$50) |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required kits, equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

| | | |
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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 9: State Grant award for single independent student with no dependents attending progressive clock hour school for 30+ hours per week. School defines full-time academic year as 1200 clock hours and divides academic year into 2 payment periods, like semesters. Student has 9-month annual Federal Methodology EFC of \$1,505.

Tuition: \$9,000 for 1550 hour cosmetology program = \$5.81 per hour
 Annual Tuition for Full-Time 1200 Hour Academic Year = 1,200 X \$5.81 = \$6,972
 Tuition for Full-Time 600 Hour Payment Period/Semester = \$6,972 X .50 = \$3,486

Mandatory fees* charged to all students for 1550 hour cosmetology program = \$200 = \$.13 hr
 Fees for Full-Time 1200 hour academic year = 1,200 X \$.13 = \$156
 Fees for Full-Time 600 Hour Payment Period/Semester = \$156 X .50 = \$78

Annual Full-Time Tuition and Fee Maximum for 2-Year college = \$5,808
 Maximum for Full-Time 600 Hour Payment Period = \$5,808 X .50 = \$2,904

Tuition used in term award calculation = \$-----
 Fees used in term award calculation = \$-----
 \$2,904 (private tuition and fee maximum)

LME used in award calculation + \$3,100 (\$6,200 X .50 = \$3,100)

State Grant Budget for Period: = \$6,004

Minus 46% Student Share - \$2,762 (\$6,004 X .46 = \$2,762)

Minus FM EFC - \$ 512 (\$1,505 X .50 = \$753)
 (\$753 X .68 = \$512)
 (prorated by state)

Minus Full-Time Pell Grant - \$ 1,591 (50% of \$3,181)

State Grant Award for Term = \$ 1,139 (over minimum semester award of \$50)

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required kits, equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

| | | |
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**Sample 2008-2009 State Grant Term Award Calculations
Using Average Tuition and Fees**

Example 10: State Grant award for single independent student with dependents attending progressive clock hour school for 18 hours per week (Level 9). School defines full-time academic year as 1200 clock hours and divides academic year into 2 payment periods, like semesters. Student has a 9-month Federal Methodology EFC of \$1,505.

Tuition \$2,500 for 350 hour manicurist program = \$7.14 per hour
 Annual Full-Time Tuition for 1200 Hour Academic Year = 1,200 X \$7.14 = \$8,568
 Tuition for Full-Time 600 Hour Payment Period = \$8,568 X .50 = \$4,284
 Tuition for Level 9 360 Hour Payment Period = \$4,284 X 9/15ths or 60% = \$2,570.40 = \$2,570

Mandatory fees* charged to all students for 350 hour manicurist program = \$100 = \$.29 hour
 Fees for Full-Time 1200 hour academic year = 1,200 X \$.29 = \$348
 Fees for Full-Time 600 Hour Payment Period = \$348 X .50 = \$174
 Fees for Level 9 360 Hour Payment Period = \$174 X 9/15ths or 60% = \$104.40 = \$104





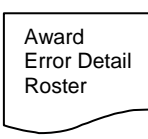

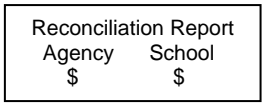
Annual Full-Time Tuition and Fee Maximum for 2-Year college = \$5,808
 Maximum for Full-Time 600 Hour Payment Period = \$5,808 X .50 = \$2,904
 Maximum for Level 9 360 Hours Payment Period = \$2,904 X 9/15ths or 60% = \$1,742

| | | | |
|--|---|----------------|--|
| Tuition used in term award calculation | = | \$----- | |
| Fees used in term award calculation | = | <u>\$-----</u> | |
| | | \$1,742 | (tuition and fee maximum Level 9) |
| LME used in award calculation | + | <u>\$1,860</u> | (\$6,200 Level 15 LME X .50 = \$3,100) (\$3,100 X 9/15 (.60) = \$1,860) (LME for Level 9 period) |
| State Grant Budget for Period: | = | \$3,602 | |
| Minus 46% Student Share | - | \$1,657 | (\$3,602 X .46 = \$1,657) |
| Minus FM EFC | - | \$ 648 | (\$1,505 X .50 = \$753) (\$753 X .86 = \$648) (prorated by state) |
| Minus 3/4-Time Pell Grant | - | <u>\$1,193</u> | (50% of 3/4-time annual Pell of \$2,386 = \$1,193) |
| State Grant Award for Level 9 Pay Period of 360 hours | = | \$ 104 | (over minimum semester award of \$50) |
| Prorated State Grant Award for 350 remaining hours within 360 hour pay period \$104 X 350/360 (.972) | = | \$ 101 | |


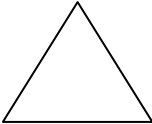

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required kits, equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

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DDS Processing Cycle

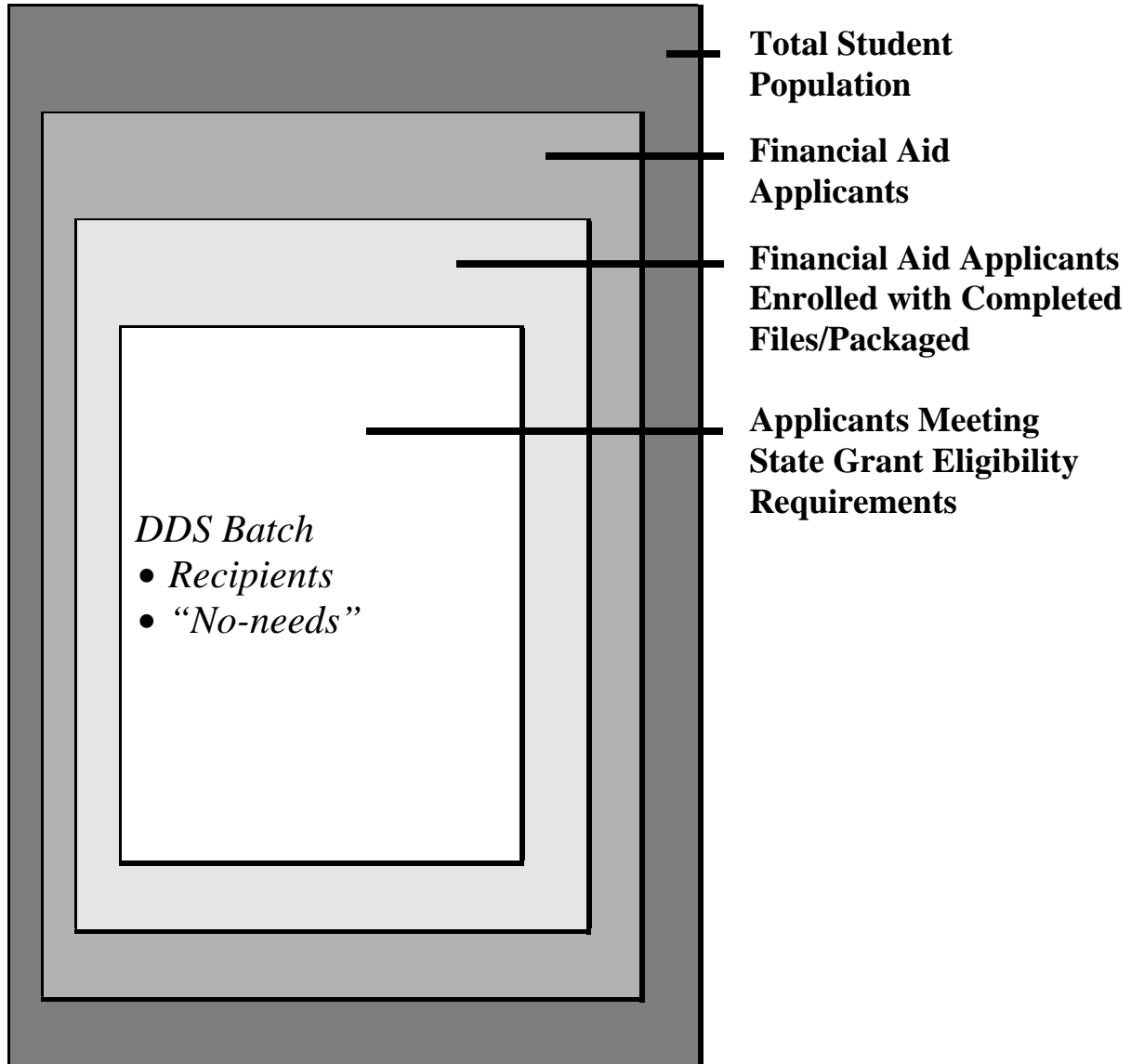
| | |
|---|--|
|  | <ol style="list-style-type: none"> 1. The DDS institution submits a batch of DDS records to the Agency via SG web access upload or automated FTP process. 2. School also requests funds using SG web access screen. |
|  | The Office of Higher Education provides an initial funds advance for first term payments no sooner than 14 days in advance of the first term's start date, based on historical payment data for the institution and the sum of term awards in the institution's most recent batch. |
|  | The Agency compares the institution's trailer record totals with its own computation of totals. If a discrepancy is found, the Agency will not process the DDS transmittal and will ask the school to correct and resubmit its transmittal. |
|  | The <i>Roster of Rejected Awards/Payments</i> displays rejected payments for students with award or payment calculation errors. The roster also includes warning edits for awards that are below the Agency's calculated award and discrepancies in the EFC and PC. |
|  | The <i>Award Error Detail Roster</i> displays data on all award errors occurring within the batch and compares the institution's need analysis and State Grant awards to the results calculated by the Agency. |
|  | The <i>Roster of Accepted Payments</i> displays all students in the DDS batch with accepted payments and total accepted payments by term. |
|  | A <i>Reconciliation Report</i> is generated to enable the Agency and the institution to reconcile amounts for advances, accepted payments, rejected payments and cash balances on hand. |

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|---|---|
|  | The Agency places output reports in the institution's directory on the SG web access screen. Schools log on to SG web access screen to view, print or download output reports. |
|  | The institution reviews the reports and makes any necessary corrections to its student and accounting records. The cycle is repeated on a monthly basis until the end of the year with close attention paid to the reporting deadlines described under 'Reporting Deadlines' in the State Grant Manual. |
|  | The school returns all excess funds by August 1 and submits an error-free final batch by August 31. |

| | | | |
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Selecting a DDS Batch Population



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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|---|---|-----------------------|---------------------|-------------|-------------------------------------|
| SECTION A | | | | | |
| School Identifiers | | | | | |
| MHESO-INST-CODE | School's 6 character institution identification code used for the Federal Pell Grant program. | | 1-6 | X (6) | AB-CAMPUS1 S-ECAMPUS W-LOANNR |
| MHESO-SORT | Sort field - must always be left blank | | 7 | X (1) | |
| MHESO-ACAD-YR | Constant "09" (for 2008-2009 aid year) | | 8-9 | X (2) | AIDYR |
| filler | area not used | | 10-15 | X (6) | |
| MHESO-SSN | Student's current social security number | 659-667 | 16-24 | 9 (9) | SID |
| SECTION B | | | | | |
| Student/Parent FAFSA Data (Identical to ISIR positions 15 - 465) | | | | | |
| MHESO-LAST-NAME | Student's last name | 15-30 | 25-40 | X (16) | B-SNAME AB-SNAME |
| MHESO-FIRST-NAME | Student's first name | 31-42 | 41-52 | X (12) | B-SNAME AB-SNAME |
| MHESO-MIDDLE-INIT | Student's middle initial | 43 | 53 | X (1) | B-SNAME AB-SNAME |
| MHESO-STREET | Student's permanent street address | 44-78 | 54-88 | X (35) | B-PADDR AB-SADDR |
| MHESO-CITY | Student's city of permanent residence | 79-94 | 89-104 | X (16) | B-PCITY AB-SCITY |
| MHESO-STATE | Student's permanent state address; alphabetic U.S. postal code | 95-96 | 105-106 | X (2) | B-PSTATE AB-SSTATE |
| MHESO-ZIP | Zip code of student's permanent address | 97-101 | 107-111 | X (5) | B-PZIP AB-SZIP |
| MHESO-BIRTH | Student's date of birth - format CCYYMMDD | 102-109 | 112-119 | X (8) | B-SBIRTH |
| Filler | area ignored (Position 124-130 used by University of Minnesota for Student ID Code.) | 110-201 | 120-211 | X (92) | |

If Size/Format column contains a "#" sign, it means a numeric field may be populated with spaces if the corresponding field on the ISIR record contained spaces.

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|---------------------|--|-----------------------|---------------------|-------------|---|
| MHESO-MARITL | Student's marital status: 1 = Unmarried (single, divorced, or widowed) 2 = Married/remarried 3 = Separated Blank | 202 | 212 | X (1) | B-SMARITL AB-SMARITL AS-SMARITL (1) |
| Filler | area ignored | 203-208 | 213-218 | X (6) | |
| MHESO-RES | Student's state of legal residence: alphabetic U.S. postal code | 209-210 | 219-220 | X (2) | B-SSTATE AB-SRES |
| Filler | area ignored | 211-220 | 221-230 | X (10) | |
| MHESO-YRINSCH | Student's year in college: 0 = 1st year, never attended college 1 = 1st year, previously attended 2 = Sophomore 3 = Junior 4 = Senior 5 = 5th Year 6 = 1st year graduate/professional 7 = Continuing graduate/professional space = blank on ISIR (Students are not eligible for State Grant after attending college for the equivalent of 4 full-time academic years.) | 221 | 231 | X (1) | AB-SYRINC S-PACDLVL |
| Filler | area ignored | 222-228 | 232-238 | X (7) | |
| MHESO-SS-TAX-STATUS | Student's tax return completed? 1 = already completed 2 = will complete 3 = will not file Blank | 229 | 239 | X (1) | AS-SFILRTN (1) |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|-----------------------------|---|-----------------------|---------------------|-------------|----------------|
| MHESO-SS-RETURN-TYPE | Student's/spouse's type of 2007 tax form used: 1 = IRS 1040 2 = IRS 1040A or 1040EZ 3 = Foreign Tax Return 4 = Tax return from Puerto Rico, Guam, American Samoa, the Virgin Islands, Marshall Islands, the Federate States of Micronesia or Palau Blank | 230 | 240 | X (1) | AS-STRFIL (1) |
| MHESO-SS-ELIG-SHORT | Student/spouse eligible to file a 1040A or 1040EZ? 1 = Yes, 2 = No, 3 = Don't know, Blank | 231 | 241 | X (1) | AS-SELGFIL (1) |
| MHESO-SS-AGI | Student's/spouse's 2007 federal adjusted gross income | 232-237 | 242-247 | S9 (6) # | AS-SAAGI (1) |
| MHESO-SS-FIT | Student's/spouse's 2007 federal income tax paid | 238-242 | 248-252 | 9 (5) # | AS-SAITX (1) |
| MHESO-SS-EXEMPT | Student's/spouse's 2007 federal income tax exemptions claimed | 243-244 | 253-254 | 9 (2) # | AS-SEXEMP (1) |
| MHESO-SS-STUINC | 2007 Student's income earned from work | 245-250 | 255-260 | S9 (6) # | AS-SAWAG (1) |
| MHESO-SS-SPOINC | 2007 Spouse's income earned from work | 251-256 | 261-266 | S9 (6) # | AS-SASPSW (1) |
| MHESO-SS-UNTAXED-INC-A | Student's/spouse's 2007 total untaxed income and benefits from FAFSA Worksheet A | 257-261 | 267-271 | 9 (5) # | AS-S2ONTI (1) |
| MHESO-SS-UNTAXED-INC-B | Student's/spouse's 2007 total untaxed income and benefits from FAFSA Worksheet B | 262-266 | 272-276 | 9 (5) # | AS-SAONTI (1) |
| MHESO-SS-INC-EXC | Student's/spouse's 2007 income exclusions from FAFSA Worksheet C | 267-271 | 277-281 | 9 (5) # | AS-SEXCLD (1) |
| MHESO-SS-CASH | Student's/spouse's cash, savings, and checking account balance as reported on the FAFSA | 272-277 | 282-287 | 9 (6) # | AS-SCASH |
| MHESO-SS-INVEST-NET-WORTH | Student's/spouse's net worth of other real estate and investments as reported on the FAFSA | 278-283 | 288-293 | 9 (6) # | AS-SORIE (1) |
| MHESO-SS-BUS-FARM-NET-WORTH | Student's/spouse's net worth of business and investment farm as reported on the FAFSA | 284-289 | 294-299 | 9 (6) # | AS-SBFE (1) |
| filler | area ignored | 290-295 | 300-305 | X (6) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|--------------------|---|-----------------------|---------------------|-------------|---------------|
| MHESO-BORN-BEFORE | Was student born before 1-1-1985? 1 = Yes; 2 = No, Blank | 296 | 306 | X (1) | AB-BORN0 |
| MHESO-GRAD-DEG | Is student working on a master's or doctorate program? 1 = Yes; 2 = No, Blank | 297 | 307 | X (1) | AB-SGRADPRO |
| MHESO-STUD-MARRIED | Is student married? 1 = Yes; 2 = No, Blank | 298 | 308 | X (1) | AB-SMRTLST |
| MHESO-CHILDREN | Does the student have children he/she supports? 1 = Yes; 2 = No, Blank | 299 | 309 | X (1) | AB-DEPCHD |
| MHESO-LEGAL-DEP | Does the student have legal dependents other than children or a spouse that live with and get more than half of their support from the student? 1 = Yes, 2 = No, Blank | 300 | 310 | X (1) | AB-LGLDEP |
| MHESO-ORPHAN | Is the student an orphan or ward of the court or was the student a ward of the court until age 18? 1 = Yes, 2 = No, Blank | 301 | 311 | X (1) | AB-ORPHWD |
| MHESO-ACTIVE-DUTY | Is the student on active duty in the U.S. Armed Forces? 1 = Yes, 2 = No, Blank | 302 | 312 | X (1) | AB- |
| MHESO-VET | Is the student a veteran of U.S. Armed Forces? 1 = Yes; 2 = No, Blank | 303 | 313 | X (1) | AB-SVET |
| MHESO-PAR-MARSTA | Parents' marital status: 1 = Married/Remarried 2 = Single 3 = Divorced/Separated 4 = Widowed Blank | 304 | 314 | X (1) | AP-PMARITL |
| Filler | area ignored | 305-336 | 315-346 | X (32) | |
| MHESO-FATHER-DOB | Father's date of birth - format CCYYMMDD | 337-344 | 347-354 | X(8) | AP-FATDOB (1) |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|---------------------|---|-----------------------|---------------------|-------------|-------------------------|
| Filler | area ignored | 345-370 | 355-380 | X(26) | |
| MHESO-MOTHER-DOB | Mother's date of birth - format CCYYMMDD | 371-378 | 381-388 | X(8) | AP-MOTDOB (1) |
| MHESO-PAR-HOUSEHOLD | Parents' household size, as defined for Federal Methodology | 379-380 | 389-390 | 9 (2) # | AP-PSIZHHD S-PSIZEHS |
| MHESO-PAR-FAM-INCOL | Number of people in parents' household who are planning to attend college at least half-time during the 2008-2009 academic year (excluding parents) | 381 | 391 | 9 (1) # | AP-PNRPS |
| MHESO-PAR-RES | Parents' state of legal residence: Alphabetic U.S. postal code | 382-383 | 392-393 | X (2) | AB-PRES |
| Filler | Area ignored | 384-390 | 394-400 | X (7) | |
| MHESO-PAR-SSI | Does anyone included in parents' household size receive Supplemental Security Income (SSI) benefits? 1 = Yes, 2 = No, Blank | 391 | 401 | X (1) | |
| MHESO-PAR-FOOD | Does anyone included in parents' household size receive Food Stamp benefits? 1 = Yes, 2 = No, Blank | 392 | 402 | X (1) | |
| MHESO-PAR-LUNCH | Does anyone included in parents' household size receive Free or Reduced Price Lunch benefits? 1 = Yes, 2 = No, Blank | 393 | 403 | X (1) | |
| MHESO-PAR-TANF | Does anyone included in parents' household size receive TANF benefits? 1 = Yes, 2 = No, Blank | 394 | 404 | X (1) | |
| MHESO-PAR-WIC | Does anyone included in parents' household size receive Women, Infants and Children (WIC) benefits? 1 = Yes, 2 = No, Blank | 395 | 405 | X (1) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|-------------------------|--|-----------------------|---------------------|-------------|--------------|
| MHESO-PAR-TAX-STATUS | Parents' tax return completed? 1 = already completed 2 = will complete 3 = will not file Blank | 396 | 406 | X (1) | AP-PFILRTN |
| MHESO-PAR-RETURN-TYPE | Parents' federal tax return filed for 2007: 1 = IRS 1040 2 = IRS 1040A or 1040EZ 3 = Foreign Tax Return 4 = Tax return from Puerto Rico, Guam, American Samoa, the Virgin Islands, Marshall Islands, the Federate States of Micronesia or Palau Blank | 397 | 407 | X (1) | AP-PTRFIL |
| MHESO-PAR-ELIG-SHORT? | Parents eligible to file a 1040A or 1040EZ? 1 = Yes, 2 = No, 3 = Don't know, Blank | 398 | 408 | X (1) | AP-PELGFIL |
| MHESO-PAR-AGI | Parents' 2007 federal adjusted gross income | 399-404 | 409-414 | S9 (6) # | AP-PAGIR |
| MHESO-PAR-FIT | Parents' 2007 federal income tax paid | 405-410 | 415-420 | 9 (6) # | AP-PITXP |
| MHESO-PAR-EXEMPT | Total number of exemptions claimed on parents' 2007 federal tax return | 411-412 | 421-422 | 9 (2) # | AP-PEXEMPT |
| MHESO-FATHER-INC | 2007 Father's/Stepfather's income earned from work | 413-418 | 423-428 | S9 (6) # | AP-PFWAG |
| MHESO-MOTHER-INC | 2007 Mother's/Stepmother's income earned from work | 419-424 | 429-434 | S9 (6) # | AP-PMWAG |
| MHESO-PAR-UNTAXED-INC-A | Parents' 2007 total untaxed income and benefits from FAFSA Worksheet A | 425-429 | 435-439 | 9 (5) # | AP-P2ONTI |
| MHESO-PAR-UNTAXED-INC-B | Parents' 2007 total untaxed income and benefits from FAFSA Worksheet B | 430-434 | 440-444 | 9 (5) # | AP-PONTI |
| MHESO-PAR-INC-EXC | Parents' 2007 income exclusions from FAFSA Worksheet C | 435-439 | 445-449 | 9 (5) # | AP-PEXCCLD |
| MHESO-PAR-CASH | Parents' cash, savings, and checking account balance as reported on the FAFSA | 440-445 | 450-455 | 9 (6) # | AP-PCASH |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|--|--|-----------------------|---------------------|-------------|-------------------------|
| If Size/Format column contains a "#" sign, it means a numeric field may be populated with spaces if the corresponding field on the ISIR record contained spaces. | | | | | |
| MHESO-PAR-INVEST-NET-WORTH | Parents' other real estate and investments net worth as reported on the FAFSA | 446-451 | 456-461 | 9 (6) # | AP-PORV |
| MHESO-PAR-BUS-FARM -NET-WORTH | Parents' business and investment farm net worth as reported on the FAFSA | 452-457 | 462-467 | 9 (6) # | AP-PBFV |
| MHESO-SS-HOUSEHOLD | Independent student's/spouse's family size, as defined for Federal Methodology | 458-459 | 468-469 | 9 (2) # | AS-SSIZHHD S-SSIZHHD |
| MHESO-SS-NR-INCOL | Number of people in independent student's household who are planning to attend college at least half-time during the 2008-2009 academic year | 460 | 470 | 9 (1) # | AS-SNRPS |
| MHESO-SS-SSI | Does anyone included in independent student's household size receive Supplemental Security Income (SSI) benefits? 1 = Yes, 2 = No, Blank | 461 | 471 | X (1) | |
| MHESO-SS-FOOD | Does anyone included in independent student's household size receive Food Stamp benefits? 1 = Yes, 2 = No, Blank | 462 | 472 | X (1) | |
| MHESO-SS-LUNCH | Does anyone included in independent student's household size receive Free or Reduced Price Lunch benefits? 1 = Yes, 2 = No, Blank | 463 | 473 | X (1) | |
| MHESO-SS-TANF | Does anyone included in independent student's household size receive TANF benefits? 1 = Yes, 2 = No, Blank | 464 | 474 | X (1) | |
| MHESO-SS-WIC | Does anyone included in independent student's household size receive Women, Infants and Children (WIC) benefits? 1 = Yes, 2 = No, Blank | 465 | 475 | X (1) | |
| SECTION C** | Need Analysis Data and Results | | | | |
| Filler | area ignored | | 476-490 | X (15) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|------------------|--|-----------------------|---------------------|-------------|--|
| MHESO-LIVARR | Student's living arrangements during 2008-2009: 1 = On campus 2 = Off campus 3 = With parents (Leave blank when OHE is calculating state need analysis and awards for school) | 472 | 491 | X (1) | AB-SHSETP S-SHSETYP |
| MHESO-DEPSTS | Student's dependency status for State Grant program: D = Dependent I = Independent (Do not send values of "X" or "Y" - these appear on rejected ISIRs which should not be sent to OHE) | 572 | 492 | X (1) | AB-DEPSTF AB-DEPSTS S-DEPSTF S-DEPSTS |
| MHESO-FED-EFC | Federal Methodology 9-Month Expected Family Contribution used to determine the Federal Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school) | 830-834 | 493-497 | 9 (5) | S-OBEOGI AB-OSAI |
| MHESO-FED-PC | Federal Methodology 9-Month Parent Contribution (zero fill for independent students) (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | 1061-1067 | 498-504 | 9 (7) | S-OVERPC |
| MHESO-STATE-SC | Due to the elimination of a state need analysis formula, this field should be left blank or zero filled. | | 505-511 | 9 (7) | S-INSTSC |
| MHESO-STATE-PC | Due to the elimination of a state need analysis formula, this field should be left blank or zero filled. | | 512-518 | 9 (7) | S-INSTPC |
| MHESO-PRI-SEC | Primary/secondary calculation indicator for need analysis: space or P = use primary calculation results S = use secondary calculation results | | 519 | X (1) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|---------------------|---|-----------------------|---------------------|-------------|--------------|
| MHESO-ORIGIN-TYPE | <p>Origin type: O = EFC based on assumed (not actual) data R or space = EFC based on actual (not assumed) data</p> <p><u>Example of One Type of Assumption:</u> In cases where parents number in college is greater than 6, FM assumes there is only 1 in college and the EFC is based on this assumption. If you are using an EFC that is based on any type of assumption, report 'O' in MHESO-ORIGIN-TYPE field. Some schools choose to override assumptions and recalculate the EFC based on actual data (i.e., more than 6 in college). If you recalculate the record to override assumptions and use actual data, report 'R' or space in this field.</p> | | 520 | X (1) | S-USER1 |
| MHESO-PAR-COLL-OVER | <p>This field is used to inform OHE that the school is using professional judgment to include a dependent student's parent in the number in college and thereby override the need analysis assumption which excludes parents from the number in college.</p> <p>Y = Yes, school wants override N or Blank = No override</p> | | 521 | X (1) | S-USER3 |
| MHESO-PRIOR-UNITS | <p>Prior units of State Grant payments received during previous aid years. (This field should only be populated by OHE for schools who have OHE calculate state need analysis and awards.)</p> | | 522-526 | 999V99 | |
| filler | area ignored | | 527 | X (01) | |
| MHESO-MNRR-FORMULA | <p>Federal Methodology formula type: 1 = Dependent, Full Needs Test 2 = Independent w/o Dependents, Full Needs Test 3 = Independent w/ Dependents, Full Needs Test 4 = Dependent, Simplified Needs Test 5 = Independent w/o Dependents, Simplified Needs Test 6 = Independent with Dependents, Simplified Needs Test (This field should only be populated by OHE for schools who use OHE to calculate state need analysis and awards.)</p> | 845 | 528 | X (01) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|----------------------|--|-----------------------|---------------------|-------------|--------------|
| filler | area ignored | | 529 | X (01) | |
| SECTION D | Award and Payment Data | | | | |
| MHESO-PELL-BUDGET | Title IV annual cost of attendance used to determine the Federal Pell Grant award at full-time, 3/4-time and 1/2-time enrollment levels. | | 530-534 | 9 (5) | S-OVERBEOG |
| MHESO-PELL-BUDGET-PT | Title IV annual cost of attendance used to determine the Federal Pell Grant award at less than 1/2-time enrollment level. This amount is equal to the full-time Title IV cost of attendance reported in MHESO-PELL-BUDGET minus the costs for room and board and miscellaneous expenses. | | 535-539 | 9 (5) | S-USERNR4 |
| MHESO-PELL-FT | Annual full-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school) | | 540-543 | 9 (4) | S-BEOGEXP |
| MHESO-PELL-3Q | Annual 3/4-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school) | | 544-547 | 9 (4) | S-USERNR1 |
| MHESO-PELL-HT | Annual 1/2-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school) | | 548-551 | 9 (4) | S-USERNR2 |
| MHESO-PELL-PT | Annual less than half-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school) | | 552-555 | 9 (4) | S-USERNR3 |
| MHESO-PELL-PAID | Due to the elimination of the adjustment of the student's State Grant award for the 3rd semester or 4th quarter of the aid year, this field can be left blank or zero filled. | | 556-559 | 9 (4) | S-USERNR5 |
| MHESO-EXTRA-TERM | Due to the elimination of the adjustment of the student's State Grant award for the 3rd semester or 4th quarter of the aid year, this field can be left blank or zero filled. | | 560 | X (1) | W-USERCD2 |
| Filler | area ignored | | 561-645 | X (85) | |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|------------------------|--|-----------------------|---------------------|-------------|----------------------|
| MHESO-SUM1-ENROL | Student's enrollment status for summer term 2008 if it's the student's leading summer term of the 2008-2009 academic year. Report actual number of credits student was enrolled for at time of disbursement, unless award was later recalculated to a different enrollment level. Report actual number of credits even if student was enrolled for fewer than 3 credits or more than 15 credits. Report credits even if student is a "no-need" student. Report spaces or zeros if student is not enrolled. | | 646-647 | 9 (2) | W-MNPCR1 S-CLASS1 |
| MHESO-TUITION-SUM1 | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 648-652 | 9 (5) | W-MNCR20 |
| MHESO-FEES-SUM1 | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 653-657 | 9 (5) | W-MNCR10 |
| MHESO-TF-CAP-SUM1 | Determines which tuition and fee maximum is used to calculate the student's award for summer term 2008 if it's the student's leading term of the 2008-2009 aid year. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program | | 658 | X (1) | S-USER4 |
| MHESO-STATE-AWARD-SUM1 | State Grant term award for summer term 2008 if it's the student's leading term of the 2008-2009 aid year. Round cents to nearest dollar. Report zeros if the student is not eligible for a grant at the student's enrollment level, or the student is a "no-need" student or the student is not enrolled. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 659-663 | 9 (5) | W-PDOFFR1 |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
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| if Size/Format column contains a '#' sign, it means a numeric field may be populated with spaces if the corresponding field on the ISIR record contained spaces. | | | | | |
| MHESO-STATE-PAYMT-NET-SUM1 | Net amount of State Grant funds disbursed to date for summer term 2008 if it's the student's leading term of the 2008-2009 aid year (i.e., all payments minus all refunds). Round cents to nearest dollar. Report zeros if "no-need" student or student not yet paid. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 664-668 | 9 (5) | W-PDPAID1 |
| MHESO-DISB-DATE-SUM1 | Disbursement date of State Grant funds disbursed for summer term 2008 if it's the leading summer term of the 2008-2009 aid year. Leave blank if no funds disbursed or "no-need" student. CCYYMMDD (Leave blank when OHE is calculating state need analysis and awards for school) | | 669-676 | X (8) | S-LDATE01 |
| MHESO-FALL-ENROL | Same as described under MHESO-SUM1-ENROL only for fall semester or quarter 2008. Assume and report enrollment status as 15 credits until actual registration load is known. | | 677-678 | 9 (2) | S-CLASS3 |
| MHESO-TUITION-FALL | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 679-683 | 9 (5) | W-MNCR19 |
| MHESO-FEES-FALL | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 684-688 | 9 (5) | W-MNCR09 |

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|--|---|-----------------------|---------------------|-------------|--------------|
| If Size/Format column contains a '#' sign, it means a numeric field may be populated with spaces if the corresponding field on the ISIR record contained spaces. | | | | | |
| MHESO-TF-CAP-FALL | Determines which tuition and fee maximum is used to calculate the student's award for fall semester or quarter 2008. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program | | 689 | X (1) | S-USER11 |
| MHESO-STATE-AWARD-FALL | Same as described under MHESO-STATE-AWARD-SUM1 only for fall semester or quarter 2008. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 690-694 | 9 (5) | W-PDOFFR3 |
| MHESO-STATE-PAYMT-NET-FALL | Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for fall semester or quarter 2008. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 695-699 | 9 (5) | W-PDPAID3 |
| MHESO-DISB-DATE-FALL | Same as described under MHESO-DISB-DATE-SUM1 only for fall semester or quarter 2008. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 700-707 | X (8) | S-LDATE02 |
| MHESO-WTR-ENROL | Same as described under MHESO-SUM1-ENROL only for winter quarter 2008-2009. Report spaces if semester school. Assume and report enrollment status of 15 credits until actual registration load is known. | | 708-709 | 9 (2) | S-CLASS4 |
| MHESO-TUITION-WTR | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MinSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 710-714 | 9 (5) | W-MNCR18 |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|---------------------------|--|-----------------------|---------------------|-------------|--------------|
| MHESO-FEES-WTR | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 715-719 | 9 (5) | W-MNCR08 |
| MHESO-TF-CAP-WTR | Determines which tuition and fee maximum is used to calculate the student's award for winter quarter 2008-2009. (Report spaces if semester school.) 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program | | 720 | X (1) | S-USER12 |
| MHESO-STATE-AWARD-WTR | Same as described under MHESO-STATE-AWARD-SUM1 only for winter quarter 2008-2009. Report zeros if semester school. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 721-725 | 9 (5) | W-PDOFFR6 |
| MHESO-STATE-PAYMT-NET-WTR | Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for winter quarter 2008-2009. Report zeros if semester school. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 726-730 | 9 (5) | W-PDPAID6 |
| MHESO-DISB-DATE-WTR | Same as described under MHESO-DISB-DATE-SUM1 only for winter quarter 2008-2009. Report spaces if semester school. (Leave blank when OHE is calculating state need analysis and awards for school) | | 731-738 | X (8) | S-LDATE03 |
| MHESO-SPRING-ENROL | Same as described under MHESO-SUM1-ENROL only for spring semester or quarter 2009. Assume and report enrollment status of 15 credits until actual registration load is known. | | 739-740 | 9 (2) | S-CLASS5 |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|------------------------------|--|-----------------------|---------------------|-------------|--------------|
| MHESO-TUITION-SPRING | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 741-745 | 9 (5) | W-MNCR17 |
| MHESO-FEES-SPRING | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 746-750 | 9 (5) | W-MNCR07 |
| MHESO-TF-CAP-SPRING | Determines which tuition and fee maximum is used to calculate the student's award for spring semester or quarter 2009. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program | | 751 | X (1) | S-USER13 |
| MHESO-STATE-AWARD-SPRING | Same as described under MHESO-STATE-AWARD-SUM1 only for spring semester or quarter 2009. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 752-756 | 9 (5) | W-PDOFFR9 |
| MHESO-STATE-PAYMT-NET-SPRING | Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for spring semester or quarter 2009. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 757-761 | 9 (5) | W-PDPAID9 |
| MHESO-DISB-DATE-SPRING | Same as described under MHESO-DISB-DATE-SUM1 only for spring semester or quarter 2009. (Leave blank when OHE is calculating state need analysis and awards for school) | | 762-769 | X (8) | S-LDATE04 |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|----------------------------|--|-----------------------|---------------------|-------------|--------------|
| MHESO-SUM2-ENROL | Same as described under MHESO-SUM1-ENROL only for summer term 2009 if it's the student's trailing term of the 2008-2009 aid year. Report ONLY actual registration load and NOT assumed full-time enrollment status or planned enrollment status from FAFSA. | | 770-771 | 9 (2) | S-CLASS2 |
| MHESO-TUITION-SUM2 | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 772-776 | 9 (5) | W-MNCR16 |
| MHESO-FEES-SUM2 | Because State Grant awards are no longer based on each student's actual tuition and fee charges, this field should now be left blank or zero filled. (However, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2008-2009 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2008-2009 may also continue to do so.) | | 777-781 | 9 (5) | W-MNCR06 |
| MHESO-TF-CAP-SUM2 | Determines which tuition and fee maximum is used to calculate the student's award for trailing summer term 2009. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program | | 782 | X (1) | S-USER14 |
| MHESO-STATE-AWARD-SUM2 | Same as described under MHESO-STATE-AWARD-SUM1 only for summer term 2009 if it's the student's trailing term of the 2008-2009 aid year. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 783-787 | 9 (5) | W-PDOFFR2 |
| MHESO-STATE-PAYMT-NET-SUM2 | Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for summer term 2009 if it's the student's trailing term of the 2008-2009 aid year. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.) | | 788-792 | 9 (5) | W-PDPAID2 |

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| DDS Element Name | Description | Federal ISIR Position | DDS Record Position | Size/Format | OHE Database |
|----------------------|--|-----------------------|---------------------|-------------|--------------|
| MHESO-DISB-DATE-SUM2 | Same as described under MHESO-DISB-DATE-SUM1 only for summer term 2009 if it's the student's trailing term of the 2008-2009 aid year. (Leave blank when OHE is calculating state need analysis and awards for school) | | 793-800 | X (8) | S-LDATE05 |

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|------------------------------|--|-----------------------|---------------------|-------------|-------------------------------------|
| TRAILER RECORD FORMAT | | | | | |
| MHESO-TRAIL-CODE | School's 6 character institution identification code used for the Federal Pell Grant program. | | 1-6 | X (6) | AB-CAMPUS1 S-ECAMPUS W-LOANNR |
| MHESO-TRAIL-SORT | Sort field - must contain value of 'Z' | | 7 | X (1) | |
| MHESO-TRAIL-ACAD-YR | Constant "09" = 2008-2009 academic year | | 8-9 | X (2) | AIDYR |
| MHESO-TRAIL-REC-COUNT | Number of records in this transmittal, including trailer record. | | 10-15 | 9 (6) | |
| filler | area ignored | | 16 | X (1) | |
| MHESO-TRAIL-NET-SUM1 | Total of all net payments reported in MHESO-STATE-PAYMT-NET-SUM1 field on all records in this transmittal. | | 17-24 | 9 (8) | |
| filler | area ignored | | 25 | X (1) | |
| MHESO-TRAIL-NET-FALL | Total of all net payments reported in MHESO-STATE-PAYMT-NET-FALL field on all records in this transmittal. | | 26-33 | 9 (8) | |
| filler | area ignored | | 34 | X (1) | |
| MHESO-TRAIL-NET-WTR | Total of all net payments reported in MHESO-STATE-PAYMT-NET-WTR field on all records in this transmittal. | | 35-42 | 9 (8) | |
| filler | area ignored | | 43 | X (1) | |
| MHESO-TRAIL-NET-SPRING | Total of net payments reported in MHESO-STATE-PAYMT-NET-SPRING field on all records in this transmittal. | | 44-51 | 9 (8) | |
| filler | area ignored | | 52 | X (1) | |
| MHESO-TRAIL-NET-SUM2 | Total of net payments reported in MHESO-STATE-PAYMT-NET-SUM2 field on all records in this transmittal. | | 53-60 | 9 (8) | |
| filler | area ignored | | 61 | X (1) | |
| MHESO-TRAIL-CUTOFF-DATE | Cutoff date for payments/refunds reflected in net payments in this transmittal, in format CCYYMMDD. | | 62-69 | X (8) | |

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|--------------------------|---|-----------------------|---------------------|-------------|--------------|
| filler | area ignored | | 70 | X (1) | |
| MHESO-TRAIL-INST-BALANCE | Balance of 2008-2009 State Grant funds remaining in institution's State Grant account (sum of all advances minus the sum of all payments to date) as of cutoff date. May be negative. | | 71-79 | S9 (9) | |
| filler | area ignored | | 80 | X (1) | |
| MHESO-TRAIL-LABEL-ID | Identification code assigned to batch by school (optional) | | 81-90 | X (10) | |
| filler | area ignored | | 91 | X (1) | |
| MHESO-TRAIL-SUB-DT | Date school submits batch to OHE, in format CCYYMMDD | | 92-99 | X (8) | |
| filler | area ignored | | 100-800 | X (701) | |

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Office of Higher Education Refund Calculation Worksheet
Last Revised September 2006

Use this worksheet to calculate the minimum refund to the Minnesota State Grant program, the SELF Loan program, and other state financial aid programs, with the exception of the State Work Study program. (**DO NOT** send this to the Agency with refunds. Keep the worksheet for your records.)

Part One

Student Name _____ SS# _____

I. On what date did the student change his/her enrollment status? _____

Amount of funds (financial aid, cash) applied to original institutional charges* (includes post-withdrawal disbursements of Title IV aid applied to institutional charges). NOT TO EXCEED THE AMOUNT OF INSTITUTIONAL CHARGES.** (A) \$ _____

Amount of institutional charges* school can retain per institutional or state mandated refund policy** (B) - \$ _____

GROSS REFUND (A) minus (B) (C) = \$ _____

Amount of Unearned Title IV Aid Due from School (Step 5.O. of Title IV Refund Worksheet) (D) - \$ _____

REMAINING REFUND (C) minus (D) (E) = \$ _____

If amount of GROSS REFUND (C) or REMAINING REFUND (E) is negative or zero, you do not need to complete the rest of this form. The refund due to state aid programs is zero.

II. Did the student drop all credits?

If "Yes", skip to Part Two on reverse side.

If "No", skip to Part Two on reverse side only if there are refunds required for programs other than State Grant. Otherwise, return the **LESSER** of (F) or (G) to the State Grant program:

● State Grant payment for the original enrollment status \$ _____

State Grant award for the current enrollment status - \$ _____

Difference (F) = \$ _____

OR

● The amount from GROSS REFUND (C) shown above. (G) \$ _____
(If amount is negative, use zero)

*Institutional charges are as defined for Title IV programs under 484B of the Higher Education Act of 1965, as amended, and 34 CFR 668.22.

**If the institution's refund policy is based on the amount of institutional charges the school can retain for the student's entire program, then the amount of financial aid and cash applied to institutional charges on line (A) should be the amount of funds applied to date for the aid year. Otherwise, the amounts on lines (A) and (B) should represent funds applied and charges retained for the term or payment period.

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Part Two

III. In the left column, list total non-Title IV financial aid disbursed to the student for the period during which the student withdrew for all non-Title IV programs requiring a portion of the refund of institutional charges. Total the disbursements. Do not include Federal Title IV aid, student employment earnings or family contributions. For SELF Loans, use the total loan divided by the number of attendance periods in the loan period. If an institution's refund policy is based on the amount of charges the school can retain for the student's entire program, the amounts listed in this section should be all aid disbursed to date for the aid year. Otherwise, the amounts listed should be the amounts disbursed for the term or program period. (NOTE: Progressive clock hour schools must calculate an hourly rate for aid disbursed. Refer to the refund section in the State Grant policy and procedures manual for instructions.)

| Non-Title IV Disbursed | Program Name |
|--------------------------------------|--------------|
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| (H) TOTAL NON-TITLE IV AID DISBURSED | |

Part Three

Refunds for state financial aid programs are calculated on a proportional basis, as shown below. No refunds are required for the State Work Study program. If the student received funds from other state financial aid programs, the refunds would be calculated in the same manner shown below.

IV. State Grant Program

Divide the amount of State Grant disbursed for the period the student withdrew by the Total Non-Title IV Aid (H) for the same period. This yields the ratio of State Grant to Total Non-Title IV Aid Package.

$$\frac{\text{State Grant}}{\text{Total Non-Title IV Aid Package (H)}} = \text{RATIO OF STATE GRANT TO AID PACKAGE} = \text{_____} \% \text{ (I)}$$

Multiply the REMAINING REFUND (E) by the percentage (I) to produce the minimum refund due to the State Grant program, not to exceed the actual State Grant payment for the term. If result contains cents, round to nearest dollar

$$\text{\$ _____ (E)} \times \text{_____ \% (I)} = \text{MINIMUM REFUND TO STATE GRANT} = \text{\$ _____}$$

V. SELF Loan Program

Divide the total amount of SELF awarded for the period the student withdrew by the Total Non-Title IV Aid (H) for the same period. This yields the ratio of the SELF Loan to the Total Non-Title IV Aid Package, not to exceed the actual SELF disbursement for the term.

$$\frac{\text{SELF Loan}}{\text{Total Non-Title IV Aid Package (H)}} = \text{RATIO OF SELF LOAN TO AID PACKAGE} = \text{_____} \% \text{ (J)}$$

Multiply the REMAINING TUITION REFUND (E) by the percentage (J) to produce the minimum refund due to the SELF Loan program. If result contains cents, round to the nearest dollar.

$$\text{\$ _____ (E)} \times \text{_____ \% (J)} = \text{MINIMUM REFUND TO SELF} = \text{\$ _____}$$

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**SAMPLE GENERAL LEDGER
FOR MINNESOTA STATE GRANT PROGRAM
DECENTRALIZED DELIVERY SYSTEM SCHOOLS**

| <u>Date</u> | <u>Description</u> | <u>Credits</u> | <u>Debits</u> | <u>Balance</u> |
|-------------|---|----------------|---------------|----------------|
| 9/1/2006 | From State Grant Program Fall Semester 2006 Advance | \$950,000 | | \$950,000 |
| 9/21/2006 | Disbursed to Student Accounts (Invoice #395) | | \$800,000 | \$150,000 |
| 10/02/2006 | Refunds from 9/21/2006 disbursements (Invoice #493) | \$100,000 | | \$250,000 |
| 11/30/2006 | From State Grant Program for Spring Semester Advance | \$700,000 | | \$950,000 |
| 12/21/2006 | Disbursed to Student Accounts (Invoice #654) | | \$800,000 | \$150,000 |
| 1/5/2007 | Refunds from 12/21/2006 | \$40,000 | | \$190,000 |
| 6/30/2007 | Returned 2006-2007 Balance to Office of Higher Education | | \$190,000 | 0 |

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| Sample Payment Periods at Progressive Clock Hour School 900 Hour Academic Year – 3 Pay Periods | | | | | | |
|---|----------------|----------------|-------------------|-----------------------|------------------|------------------|
| | | | | State Payment Periods | | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 | Pay Period 3 |
| Level 15 | 30+ | 100% | 900 | 300 (1-300) | 300 (301-601) | 300 (601-900) |
| Level 14 | 28-29 | 93.3% | 840 | 280 (1-280) | 280 (281-560) | 280 (561-840) |
| Level 13 | 26-27 | 86.7% | 780 | 260 (1-260) | 260 (261-520) | 260 (521-780) |
| Level 12 | 24-25 | 80% | 720 | 240 (1-240) | 240 (241-480) | 240 (481-720) |
| Level 11 | 22-23 | 73.3% | 660 | 220 (1-220) | 220 (221-400) | 220 (441-660) |
| Level 10 | 20-21 | 66.7% | 600 | 200 (1-200) | 200 (201-400) | 200 (401-600) |
| Level 9 | 18-19 | 60% | 540 | 180 (1-180) | 180 (181-360) | 180 (361-540) |
| Level 8 | 16-17 | 53.3% | 480 | 160 (1-160) | 160 (161-320) | 160 (321-480) |
| Level 7 | 14-15 | 46.7% | 420 | 140 (1-140) | 140 (141-280) | 140 (281-420) |
| Level 6 | 12-13 | 40% | 360 | 120 (1-120) | 120 (121-240) | 120 (241-360) |
| Level 5 | 10-11 | 33.3% | 300 | 100 (1-100) | 100 (101-200) | 100 (201-300) |
| Level 4 | 8-9 | 26.7% | 240 | 80 (1-80) | 80 (81-160) | 80 (161-240) |
| Level 3 | 6-7 | 20.0% | 180 | 60 (1-60) | 60 (61-120) | 60 (121-180) |

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| Sample Payment Periods at Progressive Clock Hour School 900 Hour Academic Year – 2 Pay Periods | | | | | |
|---|----------------|----------------|-------------------|-----------------------|------------------|
| | | | | State Payment Periods | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 |
| Level 15 | 30 + | 100% | 900 | 450 (1-450) | 450 (451-900) |
| Level 14 | 28-29 | 93.3% | 840 | 420 (1-420) | 420 (421-840) |
| Level 13 | 26-27 | 86.7% | 780 | 390 (1-390) | 390 (391-780) |
| Level 12 | 24-25 | 80% | 720 | 360 (1-360) | 360 (361-720) |
| Level 11 | 22-23 | 73.3% | 660 | 330 (1-330) | 330 (331-660) |
| Level 10 | 20-21 | 66.7% | 600 | 300 (1-300) | 300 (301-600) |
| Level 9 | 18-19 | 60% | 540 | 270 (1-270) | 270 (271-540) |
| Level 8 | 16-17 | 53.3% | 480 | 240 (1-240) | 240 (241-480) |
| Level 7 | 14-15 | 46.7% | 420 | 210 (1-210) | 210 (211-420) |
| Level 6 | 12-13 | 40.0% | 360 | 180 (1-180) | 180 (181-360) |
| Level 5 | 10-11 | 33.3% | 300 | 150 (1-150) | 150 (150-300) |
| Level 4 | 8-9 | 26.7% | 240 | 120 (1-120) | 120 (121-240) |
| Level 3 | 6-7 | 20.0% | 180 | 90 (1-90) | 90 (91-180) |

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| Sample Payment Periods at Progressive Clock Hour School 1100 Hour Academic Year – 3 Pay Periods | | | | | | |
|--|----------------|----------------|-------------------|-----------------------|------------------|-------------------|
| | | | | State Payment Periods | | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 | Pay Period 3 |
| Level 15 | 30+ | 100% | 1100 | 367 (1-367) | 367 (368-734) | 366 (735-1100) |
| Level 14 | 28-29 | 93.3% | 1026 | 342 (1-342) | 342 (343-684) | 342 (685-1026) |
| Level 13 | 26-27 | 86.7% | 954 | 318 (1-318) | 318 (319-636) | 318 (637-954) |
| Level 12 | 24-25 | 80% | 880 | 294 (1-294) | 293 (295-587) | 293 (588-880) |
| Level 11 | 22-23 | 73.3% | 806 | 269 (1-269) | 269 (270-538) | 268 (539-806) |
| Level 10 | 20-21 | 66.7% | 734 | 245 (1-245) | 245 (246-490) | 244 (491-734) |
| Level 9 | 18-19 | 60% | 660 | 220 (1-220) | 220 (221-440) | 220 (441-660) |
| Level 8 | 16-17 | 53.3% | 586 | 196 (1-196) | 195 (197-391) | 195 (392-586) |
| Level 7 | 14-15 | 46.7% | 514 | 172 (1-172) | 171 (173-343) | 171 (344-514) |
| Level 6 | 12-13 | 40% | 440 | 147 (1-147) | 147 (148-294) | 146 (295-440) |
| Level 5 | 10-11 | 33.3% | 367 | 123 (1-123) | 122 (124-245) | 122 (246-367) |
| Level 4 | 8-9 | 26.7% | 294 | 98 (1-98) | 98 (99-196) | 98 (197-294) |
| Level 3 | 6-7 | 20.0% | 220 | 74 (1-74) | 73 (75-147) | 73 (148-220) |

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| Sample Payment Periods at Progressive Clock Hour School 1100 Hour Academic Year – 2 Pay Periods |
|--|

| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | State Payment Periods | |
|------------------------------|----------------|----------------|-------------------|-----------------------|-------------------|
| | | | | Pay Period 1 | Pay Period 2 |
| Level 15 | 30 + | 100% | 1100 | 550 (1-550) | 550 (551-1100) |
| Level 14 | 28-29 | 93.3% | 1026 | 513 (1-513) | 513 (514-1026) |
| Level 13 | 26-27 | 86.7% | 954 | 477 (1-477) | 477 (478-954) |
| Level 12 | 24-25 | 80% | 880 | 440 (1-440) | 440 (441-880) |
| Level 11 | 22-23 | 73.3% | 806 | 403 (1-403) | 403 (404-806) |
| Level 10 | 20-21 | 66.7% | 734 | 367 (1-367) | 367 (368-734) |
| Level 9 | 18-19 | 60% | 660 | 330 (1-330) | 330 (331-660) |
| Level 8 | 16-17 | 53.3% | 586 | 293 (1-293) | 293 (294-586) |
| Level 7 | 14-15 | 46.7% | 514 | 257 (1-257) | 257 (258-514) |
| Level 6 | 12-13 | 40.0% | 440 | 220 (1-220) | 220 (221-440) |
| Level 5 | 10-11 | 33.3% | 367 | 184 (1-184) | 183 (185-367) |
| Level 4 | 8-9 | 26.7% | 294 | 147 (1-147) | 147 (148-294) |
| Level 3 | 6-7 | 20.0% | 220 | 110 (1-110) | 110 (111-220) |

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| Sample Payment Periods at Progressive Clock Hour School 1200 Hour Academic Year – 3 Pay Periods | | | | | | |
|--|----------------|----------------|-------------------|-----------------------|------------------|-------------------|
| | | | | State Payment Periods | | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 | Pay Period 3 |
| Level 15 | 30+ | 100% | 1200 | 400 (1-400) | 400 (401-800) | 400 (801-1200) |
| Level 14 | 28-29 | 93.3% | 1120 | 373 (1-373) | 373 (374-746) | 374 (747-1120) |
| Level 13 | 26-27 | 86.7% | 1040 | 347 (1-347) | 347 (348-694) | 346 (695-1040) |
| Level 12 | 24-25 | 80% | 960 | 320 (1-320) | 320 (321-640) | 320 (641-960) |
| Level 11 | 22-23 | 73.3% | 880 | 293 (1-293) | 293 (294-586) | 294 (587-880) |
| Level 10 | 20-21 | 66.7% | 800 | 267 (1-267) | 267 (268-534) | 266 (535-800) |
| Level 9 | 18-19 | 60% | 720 | 240 (1-240) | 240 (241-480) | 240 (481-720) |
| Level 8 | 16-17 | 53.3% | 640 | 213 (1-213) | 213 (214-426) | 214 (427-640) |
| Level 7 | 14-15 | 46.7% | 560 | 187 (1-187) | 187 (188-374) | 186 (375-560) |
| Level 6 | 12-13 | 40% | 480 | 160 (1-160) | 160 (161-320) | 160 (321-480) |
| Level 5 | 10-11 | 33.3% | 400 | 133 (1-133) | 133 (134-266) | 134 (267-400) |
| Level 4 | 8-9 | 26.7% | 320 | 107 (1-107) | 107 (108-214) | 106 (215-320) |
| Level 3 | 6-7 | 20.0% | 240 | 80 (1-80) | 80 (81-160) | 80 (161-240) |

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| Sample Payment Periods at Progressive Clock Hour School 1200 Hour Academic Year – 2 Pay Periods | | | | | |
|--|----------------|----------------|-------------------|-----------------------|-------------------|
| | | | | State Payment Periods | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 |
| Level 15 | 30 + | 100% | 1200 | 600 (1-600) | 600 (601-1200) |
| Level 14 | 28-29 | 93.3% | 1120 | 560 (1-560) | 560 (561-1120) |
| Level 13 | 26-27 | 86.7% | 1040 | 520 (1-520) | 520 (521-1040) |
| Level 12 | 24-25 | 80% | 960 | 480 (1-480) | 480 (481-960) |
| Level 11 | 22-23 | 73.3% | 880 | 440 (1-440) | 440 (441-880) |
| Level 10 | 20-21 | 66.7% | 800 | 400 (1-400) | 400 (401-800) |
| Level 9 | 18-19 | 60% | 720 | 360 (1-360) | 360 (361-720) |
| Level 8 | 16-17 | 53.3% | 640 | 320 (1-320) | 320 (321-640) |
| Level 7 | 14-15 | 46.7% | 560 | 280 (1-280) | 280 (281-560) |
| Level 6 | 12-13 | 40.0% | 480 | 240 (1-240) | 240 (241-480) |
| Level 5 | 10-11 | 33.3% | 400 | 200 (1-200) | 200 (201-400) |
| Level 4 | 8-9 | 26.7% | 320 | 160 (1-160) | 160 (161-320) |
| Level 3 | 6-7 | 20.0% | 240 | 120 (1-120) | 120 (121-240) |

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| Sample Payment Periods at Progressive Clock Hour School 1550 Hour Academic Year – 3 Pay Periods | | | | | | |
|--|----------------|----------------|-------------------|-----------------------|-------------------|--------------------|
| | | | | State Payment Periods | | |
| State Grant Enrollment Level | Hours Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 | Pay Period 3 |
| Level 15 | 30 + | 100% | 1550 | 517 (1-517) | 517 (518-1034) | 516 (1035-1550) |
| Level 14 | 28-29 | 93.3% | 1446 | 482 (1-482) | 482 (483-964) | 482 (965-1446) |
| Level 13 | 26-27 | 86.7% | 1344 | 448 (1-448) | 448 (449-896) | 448 (897-1344) |
| Level 12 | 24-25 | 80% | 1240 | 413 (1-413) | 413 (414-826) | 414 (827-1240) |
| Level 11 | 22-23 | 73.3% | 1136 | 379 (1-379) | 379 (380-758) | 378 (759-1136) |
| Level 10 | 20-21 | 66.7% | 1034 | 345 (1-345) | 345 (346-690) | 344 (691-1034) |
| Level 9 | 18-19 | 60% | 930 | 310 (1-310) | 310 (311-620) | 310 (621-930) |
| Level 8 | 16-17 | 53.3% | 826 | 275 (1-275) | 275 (276-550) | 276 (551-826) |
| Level 7 | 14-15 | 46.7% | 724 | 241 (1-241) | 241 (242-482) | 242 (483-724) |
| Level 6 | 12-13 | 40% | 620 | 207 (1-207) | 207 (208-414) | 206 (415-620) |
| Level 5 | 10-11 | 33.3% | 516 | 172 (1-172) | 172 (173-344) | 172 (345-516) |
| Level 4 | 8-9 | 26.7% | 414 | 138 (1-138) | 138 (139-276) | 138 (277-414) |
| Level 3 | 6-7 | 20.0% | 310 | 103 (1-103) | 103 (104-206) | 104 (207-310) |

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| Sample Payment Periods at Progressive Clock Hour School 1550 Hour Academic Year – 2 Pay Periods | | | | | |
|--|--------------|----------------|-------------------|-----------------------|-------------------|
| | | | | State Payment Periods | |
| State Grant Enrollment Level | Hrs Per Week | % State Budget | Hrs State Acad Yr | Pay Period 1 | Pay Period 2 |
| Level 15 | 30 + | 100% | 1550 | 775 (1-775) | 775 (776-1550) |
| Level 14 | 28-29 | 93.3% | 1446 | 723 (1-723) | 723 (724-1446) |
| Level 13 | 26-27 | 86.7% | 1344 | 672 (1-672) | 672 (673-1344) |
| Level 12 | 24-25 | 80% | 1240 | 620 (1-620) | 620 (621-1240) |
| Level 11 | 22-23 | 73.3% | 1136 | 568 (1-568) | 568 (569-1136) |
| Level 10 | 20-21 | 66.7% | 1034 | 517 (1-517) | 517 (518-1034) |
| Level 9 | 18-19 | 60% | 930 | 465 (1-465) | 465 (466-930) |
| Level 8 | 16-17 | 53.3% | 826 | 413 (1-413) | 413 (414-826) |
| Level 7 | 14-15 | 46.7% | 724 | 362 (1-362) | 362 (363-724) |
| Level 6 | 12-13 | 40% | 620 | 310 (1-310) | 310 (311-620) |
| Level 5 | 10-11 | 33.3% | 516 | 258 (1-258) | 258 (259-516) |
| Level 4 | 8-9 | 26.7% | 414 | 207 (1-207) | 207 (208-414) |
| Level 3 | 6-7 | 20.0% | 310 | 155 (1-155) | 155 (156-310) |

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Report Name **Roster of Rejected Awards/Payments**

| | |
|--|--|
| Program Origin | One of four State Grant Decentralized Delivery System (DDS) Output Reports |
| Distribution | DDS School (1); Office of Higher Education (1). |
| Frequency | This output report is generated each time the Office of Higher Education processes a DDS batch containing errors. This report will not be generated if there were no award or payment errors in the school's DDS batch. |
| Purpose | The error edits performed during DDS batch processing inform schools about possible overpayments and prevent erroneous data from being loaded to the Agency's State Grant database. This output report provides information to DDS schools so that errors can be corrected prior to the next DDS batch submission. The total of rejected payments on this roster also appears on the <i>Reconciliation Report</i> , another output report displaying accounting totals for the school's DDS batch. Schools can review and print this report on-line by logging into the SG Web Access Screen the day after submitting a DDS batch to the Agency. The data can also be copied from the report into another format, such as Word or Excel. |
| General Description | This report displays data on all errors that occurred during processing of the school's DDS batch. Most errors result in rejection of awards or payments, but some errors are merely warnings that do not result in award or payment rejection. The school is responsible for recovering any funds disbursed to students appearing on this report with rejected payments, unless data can be corrected that will allow payments to be accepted in the next DDS batch submission. A small number of error messages are warnings that do not result in rejected payments. Further detail on some of the award and payment errors appearing on this report appears on the <i>Award Error Detail Roster</i> . |
| Data Description | A description of the data appearing on this roster is provided below by column heading: |
| • Name | Student's reported name |
| • Soc Sec | Student's reported social security number |
| • Date of Birth | Student's reported date of birth |
| • Total Paid | Total rejected payments for student for all terms |
| • Summer 1 | Student's rejected payment for leading summer term |
| • Fall | Student's rejected payment for fall term |
| • Winter | Student's rejected payment for winter term (quarter schools only) |
| • Spring | Student's rejected payment for spring term |
| • Summer 2 | Student's rejected payment for trailing summer term 2 |
| Message | A description of error messages and their corresponding 'Action Steps' is provided below. |
| Date of Birth is Blank or Invalid | Appears when the date of birth on the student's incoming DDS record is blank or invalid and results in all reported payments being rejected. The school should correct the student's date of birth prior to the next DDS batch submission. |

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- SSN is Non-Numeric** Appears when the social security number on the student’s incoming DDS record contains a non-numeric value and results in all reported payments being rejected. The school should correct the student’s social security number prior to the next DDS batch submission.
- School’s Name/DOB Do Not Match the Agency’s Name/DOB** Appears when both the student’s name and date of birth on the incoming DDS record for a given social security number do not match the name and date of birth associated with the corresponding social security number on the Agency’s existing State Grant database. This error results in all reported payments being rejected. The school should check the student’s social security number, name and date of birth and make any necessary changes prior to the next DDS batch submission. If the school determines the Agency’s data is in error, the school should notify the Agency’s grant unit via email or fax.
- Invalid Aid Year on DDS Record** Appears when the aid year value on the student’s incoming DDS record is not for the current year being processed and results in all reported payments being rejected. The school should correct the aid year value on the student’s record prior to the next DDS batch submission.
- Term Award is Non-Numeric** Appears when any of the reported term awards contains a non-numeric value other than spaces. The name of all affected terms will be included in the error message and reported payments for all affected terms will be rejected. The school should correct the term award values prior to the next DDS batch submission.
- Term Enrollment is Blank or > 30** Appears when any of the reported term enrollment values is blank or greater than 30 credits in cases where there is a reported payment for that term. The name of all affected terms will be included in the error message and reported payments for all affected terms will be rejected. The school should correct the term enrollment values prior to the next DDS batch submission.
- Child Support Hold Before Term Disbursement** Appears when a child support hold existed on the Agency’s State Grant database prior to the date of disbursement reported by the school for the term. The name of all affected terms will be included in the error message and reported payments for all affected terms will be rejected. If a student is on hold for being 30+ days in arrears on child support payments, the school must withhold all future State Grant payments for the student until the student is no longer in arrears. Rejected payments should be recovered from the student and returned to the school’s State Grant account. The school does not have liability for repayment of overpayments from its own institutional funds unless the school disbursed State Grant funds after the school was notified by the Agency, via the on-line hold report or a previous DDS batch output report, of the student being placed on hold.
- SELF Default Hold Before Term Disbursement** Appears when a SELF default hold existed on the Agency’s State Grant database prior to the date of disbursement reported by the school for the term. The name of all affected terms will be included in the error message and reported payments for all affected terms will be rejected. If a student is on hold for defaulting on a SELF loan, the school must withhold all future State Grant payments for the student until the student is no longer in default or has made 6 consecutive monthly payments to regain eligibility for State Grant. Rejected payments should be recovered from the student and returned to the school’s State Grant account. The school does not have liability for repayment of overpayments from its own institutional funds unless the school disbursed State Grant funds after the school was notified by the Agency, via the on-line hold report or a previous DDS batch output report, of the student being placed on hold.

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Total Units in Prior Aid Years Exceed Limit

Appears when the student has accumulated the maximum number of units of State Grant paid in previous aid years and results in all reported payments being rejected. A student loses eligibility for State Grant once the student has attended or received State Grant payments for 96 units, which is the equivalent of 8 full-time semesters or 12 full-time quarters. The actual cut-off point is >94.4 units for a student attending a quarter school and 93.6 units for a student attending a semester school. A school can use the SG Web Access screen to query the student and review historical State Grant payment data. All rejected payments for the current year must be recovered from the student and returned to the school's State Grant account.

Total Units Prior to Term Exceed Limit

Appears when the student has accumulated the maximum number of units of State Grant paid prior to the term embedded in the error message. Any reported payments for the affected and subsequent terms will be rejected and must be recovered from the student and returned to the school's State Grant account. A student loses eligibility for State Grant once the student has attended or received State Grant payments for 96 units, which is the equivalent of 8 full-time semesters or 12 full-time quarters. The actual cut-off point is >94.4 units for a student attending a quarter school and 93.6 units for a student attending a semester school. A school can use the SG Web Access screen to query the student and review historical State Grant payment data. All rejected payments for the current year must be recovered from the student and returned to the school's State Grant account.

Term Payment > Term Award

Appears when a reported payment for a term exceeds that term's reported award by more than \$1. The affected term will be embedded in the error message and the corresponding term payment will be rejected. The school should adjust the term payment and return any overpayments to its State Grant account prior to the next DDS batch submission.

Multiple Term Payments > 15 Credits

Appears when another school has already paid the student for the term(s) in question and the current school's reported term payment results in the student being paid for more than 15 credits. The name of the affected term will be embedded in the error message and the corresponding term payment will be rejected. The current school should adjust the student's State Grant payment to an acceptable level and return any overpayments to its State Grant account prior to the next DDS batch submission.

Annual Units Limit Exceeded

Appears when the student is paid for more than three full-time semesters (36 units) or four full-time quarters (32 units) during the current aid year. The name of the affected term will be embedded in the error message and the corresponding term payment will be rejected. The current school should either cancel or adjust the student's State Grant payment for the affected term and return any overpayments to its State Grant account prior to the next DDS batch submission.

Applied After Cutoff for Term

Appears when the student missed the State Grant application deadline for the term in question. The name of the affected term(s) will be embedded in the error message and all reported payments for the affected terms will be rejected. In order to meet the application deadline, the student's original FAFSA application must be received by the federal application processor within 30 days of the term start date. The Agency makes this determination by comparing the student's FAFSA receipt date on the ISIR to the school's term start dates collected on the annual State Grant budget questionnaire. If the school believes the student's original FAFSA receipt date was within 30 days of the term start date, the school should contact the Grant Unit for assistance at (651) 642-0567. If the student did apply after the term deadline date, the school should cancel the student's award for that term(s) and return any rejected State Grant payments to its State Grant account.

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Term Award Too High for Enrolled Credits

Appears when the reported award for the term in question is more than \$2 higher than the Agency's calculated award for the term, based on the student's reported enrollment level. The name of the affected term is embedded in the error message and the corresponding term payment is rejected. A detailed comparison of term awards is provided on the accompanying *Award Error Detail Roster* for the current DDS batch. The school should adjust the term award and return any overpayments to its State Grant account. In cases where the award appears too high because the school reported an incorrect enrollment value, the school should correct the enrollment value prior to the next DDS batch submission.

Term Award Too Low for Enrolled Credits

Appears when the reported award for the term in question is more than \$2 lower than the Agency's calculated award for the term, based on the student's reported enrollment level. The name of the affected term is embedded in the error message but the corresponding term payment is NOT rejected. A detailed comparison of term awards is provided on the accompanying *Award Error Detail Roster* for the current DDS batch. If necessary, the school should adjust the term award. In cases where the award appears too low because the school reported an incorrect enrollment value, the school should correct the enrollment value prior to the next DDS batch submission.

Federal Reject

Appears when the Agency could not perform the Federal Methodology need analysis formula and State Grant award calculation due to the student's application data meeting one or more of the several Federal Methodology reject edits. All reported term payments for the current year will be rejected. The precise federal reject code and detailed description will appear on the accompanying *Award Error Detail Roster* for the current DDS batch. The school should correct the application data creating the federal reject prior to the next DDS batch submission.

School's EFC Not Equal to the Agency's EFC

Appears when the school's reported Expected Family Contribution (EFC) for the student does not match the EFC calculated by the Agency using the data supplied on the DDS record for the student. This is a warning message only and does not result in rejected payments. In most cases, discrepancies occur because the school's EFC is based on Federal Methodology assumptions and the Agency's EFC is not, or vice versa. The school should check the value it sent in the MHESO-ORIGIN-TYPE field on the DDS record to make sure it sent the correct value. A value of 'O' means the Agency should use assumptions when calculating the EFC. A value of 'R' or spaces means the Agency should not use assumptions when calculating the EFC.

School's PC Not Equal to the Agency's PC

Appears when the school's reported Parent Contribution (PC) for the student does not match the PC calculated by the Agency using the data supplied on the DDS record for the student. This is a warning message only and does not result in rejected payments. In most cases, discrepancies occur because the school's PC is based on Federal Methodology assumptions and the Agency's PC is not, or vice versa. The school should check the value it sent in the MHESO-ORIGIN-TYPE field on the DDS record to make sure it sent the correct value. A value of 'O' means the Agency should use assumptions when calculating the PC. A value of 'R' or spaces means the Agency should not use assumptions when calculating the PC.

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Roster of Rejected Awards/Payments • 07/30/2007
SAMPLE UNIVERSITY [001234]

| Name | SSN | DOB | Total Paid | Summer I | Fall | Winter | Spring | Summer II | Error Message |
|-----------------|-------------|-----------|-----------------|-----------------|---------------|---------------|---------------|---------------|---|
| ANDERSON / MARY | 111-22-3333 | 7/14/1985 | 0 | | | | | | Summer1 award too low for enrolled credits See Award Advisory Roster for details Fall award too low for enrolled credits See Award Advisory Roster for details Winter award too low for enrolled credits See Award Advisory Roster for details School's EFC not equal to OHE'S EFC School's EFC: 10472 Recalc EFC: 5835 School's PC not equal to OHE's PC School's PC: 10472 Recalc PC: 5835 |
| CARLSON / JOHN | 222-33-4444 | 8/30/1987 | 446 | 446 | 0 | 0 | | | Summer1 award too high for enrolled credits See Award Advisory Roster for details Fall award too high for enrolled credits See Award Advisory Roster for details Winter award too high for enrolled credits See Award Advisory Roster for details School's EFC not equal to OHE'S EFC School's EFC: 237 Recalc EFC: 399 School's PC not equal to OHE's PC School's PC: 237 Recalc PC: 399 |
| JONES / SUSAN | 333-44-5555 | 6/28/1988 | 188 | 188 | 0 | 0 | | | Summer1 award too high for enrolled credits See Award Advisory Roster for details Fall award too high for enrolled credits See Award Advisory Roster for details Winter award too high for enrolled credits See Award Advisory Roster for details School's EFC not equal to OHE'S EFC School's EFC: 802 Recalc EFC: 314 School's EFC not equal to OHE'S EFC School's EFC: 28520 Recalc EFC: 16646 School's PC not equal to OHE's PC School's PC: 24948 Recalc PC: 13074 |
| SMITH / ROBERT | 444-55-6666 | 7/23/1987 | 0 | | | | | | |
| TOTAL | | | \$634.00 | \$634.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |

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Report Name **Award Error Detail Roster**

- Program Origin** One of four State Grant Decentralized Delivery System (DDS) Output Reports.
- Distribution** DDS School (1); Office of Higher Education (1).
- Frequency** This output report is generated each time the Office of Higher Education processes a DDS batch containing need analysis or award errors. This report will not be generated if there were no award or payment errors in the school's DDS batch.
- Purpose** The error edits performed during DDS batch processing prevent erroneous data from being loaded to the Agency's State Grant database. This output report provides further detail on need analysis and award calculation errors so they can be corrected prior to the next DDS batch submission. Schools can review and print this report on-line by logging into the SG Web Access Screen the day after submitting a DDS batch to the Agency. The data can also be copied from the report into another format, such as Word or Excel.
- General Description** This report provides further detail for need analysis and award calculation errors appearing on the *Roster of Rejected Awards/Payments*. Most errors result in rejection of awards or payments, but some errors are merely warnings that do not result in award or payment rejection.
- Data Description** A description of the data appearing on this roster is provided below by column heading:
- **Name** Student's reported name.
 - **Soc Sec** Student's reported social security number.
 - **Tuition** Term tuition reported by school appears if term award is flagged for error
 - **Fees** Term fees reported by school appears if term award is flagged for error
 - **Cap** Term tuition and fee maximum for student's degree program (two- or four-year) reported by school appears if term award is flagged for error
 - **Dep Status** Student's dependency status as reported by school (D=dependent; I=independent)
 - **Federal PC** Federal Methodology parent contribution calculated by the Agency using data supplied by school appears under 'State Award' column. School's reported Federal Methodology parent contribution appears under 'Inst Award' column.
 - **State PC** State need analysis parent contribution calculated by the Agency using data supplied by school appears under 'State Award' column. School's reported state need analysis parent contribution appears under 'Inst Award' column. (Note: Data in this field is only used if state need analysis differs from federal need analysis. Currently, the state adopts the federal need analysis.)

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- **State PC** State need analysis parent contribution calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported state need analysis parent contribution appears under ‘Inst Award’ column. (Note: Data in this field is only used if state need analysis differs from federal need analysis. Currently, the state adopts the federal need analysis.)
- **State SC** State need analysis parent contribution calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported state need analysis parent contribution appears under ‘Inst Award’ column. (Note: Data in this field is only used if state need analysis differs from federal need analysis. Currently, the state adopts the federal need analysis.)
- **Federal EFC** Federal Methodology expected family contribution calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported Federal Methodology expected family contribution appears under ‘Inst Award’ column.
- **FT Pell Award** The full-time Federal Pell Grant award calculated by the agency appears under ‘State Award’ column. School’s reported full-time Federal Pell Grant award appears under ‘Inst Award’ column.
- **3Q Pell Award** The three-quarter time Federal Pell Grant award calculated by the Agency appears under ‘State Award’ column. School’s reported three quarter-time Federal Pell Grant award appears under ‘Inst Award’ column.
- **HT Pell Award** The half-time Federal Pell Grant award calculated by the Agency appears under ‘State Award’ column. School’s reported half-time Federal Pell Grant award appears under ‘Inst Award’ column.
- **PT Pell Award** The less than half-time Federal Pell Grant award calculated by the Agency appears under ‘State Award’ column. School’s reported less than half-time Federal Pell Grant award appears under ‘Inst Award’ column.
- **Summer 1** State Grant award for leading summer term calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported award for leading summer term appears under ‘Inst Award’ column. Any difference between leading summer term awards is displayed in the ‘Award Diff’ column.
- **Fall** State Grant award for fall term calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported award for fall term appears under ‘Inst Award’ column. Any difference between fall term awards is displayed in the ‘Award Diff’ column.
- **Winter** State Grant award for winter quarter calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported award for winter quarter appears under ‘Inst Award’ column. Any difference between winter quarter awards is displayed in the ‘Award Diff’ column. (Note: Semester schools reporting winter quarter term awards will see errors and award differences since there is no winter quarter on a semester system.)
- **Spring** State Grant award for spring term calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported award for spring term appears under ‘Inst Award’ column. Any difference between spring term awards is displayed in the ‘Award Diff’ column.

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• **Summer 2**

State Grant award for trailing summer term calculated by the Agency using data supplied by school appears under ‘State Award’ column. School’s reported award for trailing summer term appears under ‘Inst Award’ column. Any difference between trailing summer term awards is displayed in the ‘Award Diff’ column.

Message

A description of error messages and their corresponding ‘Action Steps’ is provided below.

Term Award Too High for Enrolled Credits

Appears when the reported award for the term in question is more than \$2 higher than the Agency’s calculated award for the term, based on the student’s reported enrollment level. The name of the affected term is embedded in the error message and the corresponding term payment is rejected. The school should adjust the term award and return any overpayments to its State Grant account. In cases where the award appears too high because the school reported an incorrect enrollment value, the school should correct the enrollment value prior to the next DDS batch submission.

Term Award Too Low for Enrolled Credits

Appears when the reported award for the term in question is more than \$2 lower than the Agency’s calculated award for the term, based on the student’s reported enrollment level. The name of the affected term is embedded in the error message but the corresponding term payment is NOT rejected. If necessary, the school should adjust the term award. In cases where the award appears too low because the school reported an incorrect enrollment value, the school should correct the enrollment value prior to the next DDS batch submission.

School’s EFC Not Equal to the Agency’s EFC

Appears when the school’s reported Expected Family Contribution (EFC) for the student does not match the EFC calculated by the Agency using the data supplied on the DDS record for the student. This is a warning message only and does not result in rejected payments. In most cases, discrepancies occur because the school’s EFC is based on Federal Methodology assumptions and the Agency’s EFC is not, or vice versa. The school should check the value it sent in the MHESO-ORIGIN-TYPE field on the DDS record to make sure it sent the correct value. A value of ‘O’ means the Agency should use assumptions when calculating the EFC. A value of ‘R’ or spaces means the Agency should not use assumptions when calculating the EFC.

School’s PC Not Equal to the Agency’s PC

Appears when the school’s reported Parent Contribution (PC) for the student does not match the PC calculated by the Agency using the data supplied on the DDS record for the student. This is a warning message only and does not result in rejected payments. In most cases, discrepancies occur because the school’s PC is based on Federal Methodology assumptions and the Agency’s PC is not, or vice versa. The school should check the value it sent in the MHESO-ORIGIN-TYPE field on the DDS record to make sure it sent the correct value. A value of ‘O’ means the Agency should use assumptions when calculating the PC. A value of ‘R’ or spaces means the Agency should not use assumptions when calculating the PC.

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Award Error Detail Roster • 07/30/2007
SAMPLE UNIVERSITY [001234]

| Name | SSN | Tuition | Fees | Cap | Dep Status | | State Award | Inst Award | Award Diff | Message |
|-----------------|-------------|---------------|-------------|-------|------------|------------|--------------------------------------|---------------------------------------|------------|--------------------------------------|
| ANDERSON / MARY | 111-22-3333 | | | | D | Federal PC | 5835 | 10472 | | |
| | | State PC | 5835 | 10472 | | | | | | |
| | | State SC | 0 | 0 | | | | | | |
| | | Federal EFC | 5835 | 10472 | | | | | | |
| | | FT Pell Award | 0 | 0 | | | | | | |
| | | 3Q Pell Award | 0 | 0 | | | | | | |
| HT Pell Award | 0 | 0 | | | | | | | | |
| PT Pell Award | 0 | 0 | | | | | | | | |
| | | 5550 | 0 | 2 | | Summer I | 295 | 0 | -295 | Summer1 award too low for 15 credits |
| | | 5550 | 0 | 2 | | Fall | 295 | 0 | -295 | Fall award too low for 15 credits |
| | | 5550 | 0 | 2 | | Winter | 295 | 0 | -295 | Winter award too low for 15 credits |
| CARLSON / JOHN | 222-33-4444 | | | | D | Federal PC | 399 | 237 | | |
| | | State PC | 399 | 237 | | | | | | |
| | | State SC | 0 | 0 | | | | | | |
| | | Federal EFC | 399 | 237 | | | | | | |
| | | FT Pell Award | 3960 | 4060 | | | | | | |
| | | 3Q Pell Award | 2970 | 3045 | | | | | | |
| | | HT Pell Award | 1980 | 2030 | | | | | | |
| | | PT Pell Award | 990 | 1015 | | | | | | |
| | | Summer I | 427 | 446 | | | 19 | Summer1 award too high for 13 credits | | |
| | | Fall | 714 | 733 | | | 19 | Fall award too high for 15 credits | | |
| | | Winter | 714 | 733 | | | 19 | Winter award too high for 15 credits | | |
| | | JONES / SUSAN | 333-44-5555 | | | | | D | Federal PC | 314 |
| State PC | 314 | | | 314 | | | | | | |
| State SC | 0 | | | 0 | | | | | | |
| Federal EFC | 314 | | | 802 | | | | | | |
| FT Pell Award | 3960 | | | 3460 | | | | | | |
| 3Q Pell Award | 2970 | | | 2595 | | | | | | |
| HT Pell Award | 1980 | | | 1730 | | | | | | |
| PT Pell Award | 990 | | | 865 | | | | | | |
| Summer I | 105 | | | 188 | | 83 | Summer1 award too high for 6 credits | | | |
| Fall | 742 | | | 909 | | 167 | Fall award too high for 15 credits | | | |
| Winter | 742 | | | 909 | | 167 | Winter award too high for 15 credits | | | |
| SMITH / ROBERT | 444-55-6666 | | | | | | D | | Federal PC | 13074 |
| | | State PC | 13074 | 24948 | | | | | | |
| | | State SC | 0 | 0 | | | | | | |
| | | Federal EFC | 16646 | 28520 | | | | | | |
| | | FT Pell Award | 0 | 0 | | | | | | |
| | | 3Q Pell Award | 0 | 0 | | | | | | |
| HT Pell Award | 0 | 0 | | | | | | | | |
| PT Pell Award | 0 | 0 | | | | | | | | |

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Report Name **Roster of Accepted Payments**

- Program Origin** One of four State Grant Decentralized Delivery System (DDS) Output Reports.
- Distribution** DDS School (1); Office of Higher Education (1).
- Frequency** This output report is generated each time the Office of Higher Education processes a DDS batch containing payments that were not flagged for errors. This report is not generated if there were no accepted payments in the school's DDS batch.
- Purpose** The error edits performed during DDS batch processing prevent erroneous data from being loaded to the Agency's State Grant database. If a term payment passes through the error edits, it is displayed on this report as accepted. It is possible for a student to appear on this roster, as well as the *Roster of Rejected Awards/Payments*, if one term's payment is rejected and another's is accepted. The total of accepted payments on this roster also appears on the *Reconciliation Report*, another output report displaying accounting totals for the school's DDS batch. Schools can review and print this report on-line by logging into the SG Web Access Screen the day after submitting a DDS batch to the Agency. The data can also be copied from the report into another format, such as Word or Excel.
- General Description** This report displays data on all accepted term payments within the school's most recent DDS batch. Data is provided by student in alphabetical order, with accepted term payments appearing under the applicable term headings.
- Data Description** A description of the data appearing on this roster is provided below by column heading:
- **Name** Student's reported name.
 - **Soc Sec** Student's reported social security number.
 - **Total Paid** Student's total accepted payments for all terms.
 - **Summer 1** Student's accepted payment for leading summer term.
 - **Fall** Student's accepted payment for fall term.
 - **Winter** Student's accepted payment for winter term (used only for quarter system).
 - **Spring** Student's accepted payment for spring term.
 - **Summer 2** Student's accepted payment for trailing summer term.

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SAMPLE UNIVERSITY [001234]

| Name | SSN | Total Paid | Summer I | Fall | Winter | Spring | Summer II | Message |
|----------------------|-------------|--------------------|--------------------|---------------|---------------|---------------|---------------|---------|
| ADAMS / MARY M | 012-34-5678 | 507 | 507 | 0 | 0 | 0 | 0 | |
| ANDERSEN / JAMES H | 123-45-5679 | 507 | 507 | 0 | 0 | 0 | 0 | |
| ANDERSON / SARAH A | 234-56-7890 | 725 | 725 | 0 | 0 | 0 | 0 | |
| BAKER / WILLIAM J | 345-67-8901 | 292 | 292 | 0 | 0 | 0 | 0 | |
| BANKS / SUZANNE A | 456-78-9012 | 147 | 147 | 0 | 0 | 0 | 0 | |
| BENSON / JOHN K | 567-89-0123 | 180 | 180 | 0 | 0 | 0 | 0 | |
| CARLSON / KATHLEEN M | 678-90-1234 | 792 | 792 | 0 | 0 | 0 | 0 | |
| CARTER / JILL K | 789-01-2345 | 293 | 293 | 0 | 0 | 0 | 0 | |
| CLARK / CATHY A | 890-12-3456 | 293 | 293 | 0 | 0 | 0 | 0 | |
| COOPER / ROBERT J | 901-23-4567 | 292 | 292 | 0 | 0 | 0 | 0 | |
| DAILY / PETER A | 098-76-5432 | 401 | 401 | 0 | 0 | 0 | 0 | |
| DANIELS / SANDRA M | 987-65-4321 | 438 | 438 | 0 | 0 | 0 | 0 | |
| DANIELSON / ERIK J | 876-54-3210 | 434 | 434 | 0 | 0 | 0 | 0 | |
| DAVIDSON / MICHAEL L | 765-43-2109 | 293 | 293 | 0 | 0 | 0 | 0 | |
| EDWARDS / JOHN K | 654-32-1098 | 364 | 364 | 0 | 0 | 0 | 0 | |
| ERICKSON / JOHN M | 543-21-0987 | 147 | 147 | 0 | 0 | 0 | 0 | |
| EVANS / RICHARD A | 432-01-9876 | 292 | 292 | 0 | 0 | 0 | 0 | |
| FISCHER / MARTHA J | 321-09-8765 | 220 | 220 | 0 | 0 | 0 | 0 | |
| FOX / JEFFREY R | 210-98-7654 | 220 | 220 | 0 | 0 | 0 | 0 | |
| GARDNER / AMANDA L | 109-87-6543 | 434 | 434 | 0 | 0 | 0 | 0 | |
| GOODWIN / ROBERT K | 112-23-3445 | 292 | 292 | 0 | 0 | 0 | 0 | |
| GRAHAM / JAMES R | 566-77-8899 | 1875 | 1875 | 0 | 0 | 0 | 0 | |
| GREEN / CARL P | 001-12-2334 | 454 | 454 | 0 | 0 | 0 | 0 | |
| GRIFFIN / PHILLIP J | 455-66-7788 | 308 | 308 | 0 | 0 | 0 | 0 | |
| HAGLUND / SUSAN R | 990-01-1223 | 220 | 220 | 0 | 0 | 0 | 0 | |
| HALL / CYNTHIA A | 344-55-6677 | 446 | 446 | 0 | 0 | 0 | 0 | |
| HALL / GREG E | 889-90-0112 | 364 | 364 | 0 | 0 | 0 | 0 | |
| HANSEN / JOSEPH J | 778-89-9001 | 220 | 220 | 0 | 0 | 0 | 0 | |
| HANSON / DAVID R | 122-33-4455 | 193 | 193 | 0 | 0 | 0 | 0 | |
| HANSON / JOHN B | 667-78-8990 | 147 | 147 | 0 | 0 | 0 | 0 | |
| HAUGEN / MARY K | 011-22-3344 | 580 | 580 | 0 | 0 | 0 | 0 | |
| HERMAN / MICHAEL A | 556-67-7889 | 158 | 158 | 0 | 0 | 0 | 0 | |
| HILL / JOE M | 900-11-2233 | 292 | 292 | 0 | 0 | 0 | 0 | |
| IVERSON / JEREMY T | 223-34-4556 | 434 | 434 | 0 | 0 | 0 | 0 | |
| JACKSON / PATRICIA A | 334-45-5667 | 364 | 364 | 0 | 0 | 0 | 0 | |
| JACOBSON / JEREMY J | 445-56-6778 | 873 | 873 | 0 | 0 | 0 | 0 | |
| JOHNSON / LAURA L | 556-67-7889 | 293 | 293 | 0 | 0 | 0 | 0 | |
| ... | ... | 1205 | 1205 | 0 | 0 | 0 | 0 | |
| TOTAL | | \$77,801.00 | \$77,801.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |

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Report Name **Reconciliation Report**

| | |
|----------------------------------|--|
| Program Origin | One of four State Grant Decentralized Delivery System (DDS) Output Reports |
| Distribution | DDS School (1); Office of Higher Education (1). |
| Frequency | The <i>Reconciliation Report</i> is generated each time the Office of Higher Education processes a DDS submitted by the institution. |
| Purpose | The report is produced in order for the Agency and the institution to reconcile accounting records with respect to cash advances to date, accepted net payments to date, rejected net payments to date and cash balances on hand at the institution. Schools can review and print this report on-line by logging into the SG Web Access Screen the day after submitting a DDS batch to the Agency. The data can also be copied from the report into another format, such as Word or Excel. |
| General Description | The report provides a comparison of the Agency's and the institution's data in order to reconcile accounting records and cash flow figures. Totals are taken from a variety of sources such as the institution's trailer record for its DDS batch, the Agency's records of cash advances to date, and the total accepted and rejected payments from the <i>Roster of Rejected Awards/Payments</i> and the <i>Roster of Accepted Payments</i> . |
| Data Description | A description of the data appearing on this roster is provided below by column heading: |
| • School | Name of school submitting DDS batch |
| • School Code | School's 6-digit school code used for federal financial aid programs |
| • Label ID | 10-character optional identifier supplied by school submitting DDS batch |
| • Cutoff Date | School's cutoff date for data supplied in DDS batch |
| • Date Received | Date DDS batch received by the Agency |
| • Date Processed | Date DDS batch processed by the Agency |
| • Number of Records | Number of student records in DDS batch as counted by the Agency (OHE column) and school (School column) |
| • Amount Net Payments | Total amount of payments in DDS batch as calculated by the Agency (OHE column) and school (School column) |
| • Total Advances | Total funds advanced to school by the Agency to date, with detail of individual advances appearing below total |
| • Total Payments Accepted | Total payments accepted in current batch from the <i>Roster of Accepted Payments</i> |
| • Balance on Hand | Total funds advanced to school by the Agency minus total of accepted payments |

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- Total Rejected Payments** Total payments rejected in current batch from the *Roster of Rejected Awards/Payments*
- Unidentified School Difference** This amount should always be '0.' If it is necessary for the Agency to "plug" an amount on this line to reconcile, it is an indication that the institution has not reconciled its computer records with its business office accounting records prior to submitting DDS records to the Agency. This figure is derived by subtracting the total rejected payments from the difference between the school's balance on hand and the Agency's balance on hand.
- Balance Payable to the OHE** Total funds advanced to school by the Agency minus total of accepted payments. Balance must be returned to the Agency no later than August 1 at the end of each aid year.

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Reconciliation Report • 07/30/2007
SAMPLE UNIVERSITY [001234]

Label ID: SA01
Cutoff Date: 07/27/2007
Date Received: 07/27/2007
Date Processed: 07/30/2007

| Trailer Reconciliation | | OHE | School |
|--------------------------------------|------------|---------------|---------------|
| Number of Records | | 391 | 391 |
| Amount Net Payments | | \$78,435.00 | \$78,435.00 |
| | | | |
| Outstanding Balance Summary | | OHE | School |
| Advance Dated | 07/20/2007 | \$35,000.00 | |
| Total Advances | | \$35,000.00 | |
| Net Payments Accepted Through Cutoff | | \$77,801.00 | |
| Balance On Hand As of Cutoff Date | | (\$42,801.00) | (\$43,435.00) |
| Roster of Rejected Net Payments | | | \$634.00 |
| Unidentified School Difference | | | \$0.00 |
| Balance Payable to OHE | | | (\$42,801.00) |

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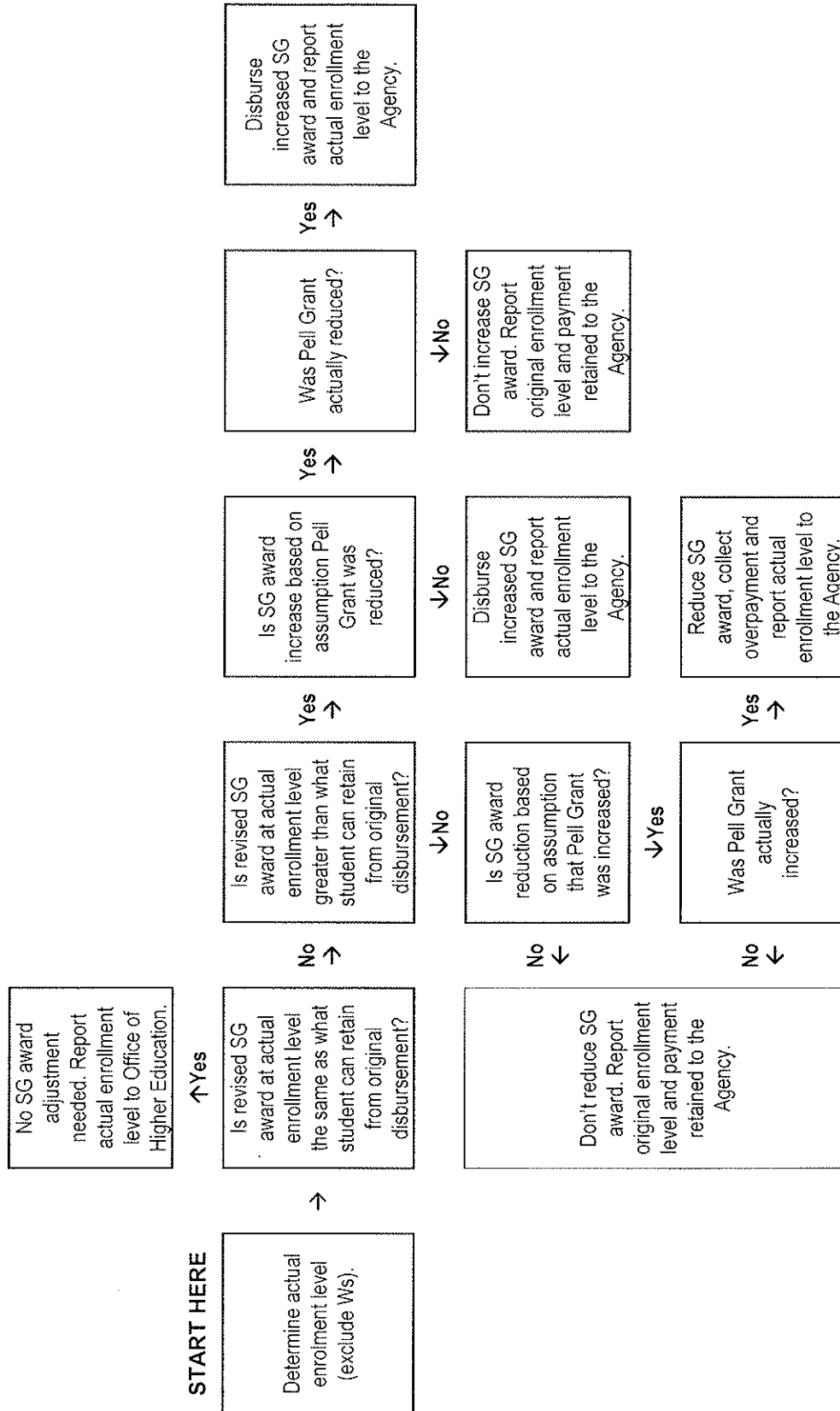
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Logic for State Grant Adjustment After Initial Disbursement



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Examples of State Grant Award Adjustments After Initial Disbursement

| Credit at Initial Payment | Credits Later Withdrawn (-) | State Grant Award Difference Fully Refunded for W Credits?* | Credits Later Added (+) | Actual Enrollment Level (=) | Revised Award Higher or Lower Than Original Payment Retained | Increase or Decrease Due to Change in Parent Cont or EFC? | Increase or Decrease Due to Change in Pell Enrollment Level? | Was Pell Actually Adjusted? | Credits Reported to Office of Higher Education on DDS Record | State Grant Action |
|---------------------------|-----------------------------|---|-------------------------|-----------------------------|--|---|--|-----------------------------|--|---|
| 15 | 3 | Yes | 0 | 12 | Lower | No | No | No | 12 | Report 12 credits and Level 12 payment amount |
| 15 | 3 | No | 0 | 12 | Lower | No | No | No | 15 | Report 15 credits and up to Level 15 payment amount |
| 15 | 3 | No | 0 | 12 | Lower | Yes | No | No | 15 | School would need to recapture difference between original and revised Level 15 award prior to doing refund calculation for withdrawn credits |
| 15 | 3 | Yes | 3 | 15 | Same | No | No | No | 15 | Report 15 credits and Level 15 payment |
| 15 | 3 | No | 3 | 15 | Same | No | No | No | 15 | Report 15 credits and Level 15 payment |
| 12 | 3 | Yes | 4 | 13 | Higher | No | No | No | 13 | Pay increased amount for Level 13 |
| 12 | 3 | No | 4 | 13 | Higher | No | No | No | 13 | Pay increased amount for Level 13 |
| 12 | 3 | No | 4 | 13 | Higher | Yes | No | No | 13 | Pay increased amount for revised Level 13 award |
| 12 | 3 | No | 2 | 11 | Lower | No | No | No | 12 | Report 12 credits and up to Level 12 payment amount |
| 12 | 3 | No | 2 | 11 | Lower | Yes | No | No | 12 | School would need to recapture difference between original and revised Level 12 award prior to doing refund calculation for withdrawn credits |
| 12 | 3 | No | 2 | 11 | Higher | No | Yes | No | 12 | Cannot award higher Level 11 State Grant since Pell award not reduced. |
| 12 | 3 | No | 2 | 11 | Higher | Yes | No | No | 11 | Pay increased amount of revised Level 11 award |
| 11 | 0 | N/A | 1 | 12 | Higher | No | No | No | 12 | Pay increased amount for Level 12 award |
| 11 | 0 | N/A | 1 | 12 | Lower | No | Yes | No | 11 | Not required to reduce award to Level 12 since Pell award not increased |
| 12 | 1 | Yes | 0 | 11 | Lower | No | No | No | 11 | Report 11 credits since difference between 12 and 11 credit awards was fully refunded |
| 12 | 1 | No | 0 | 11 | Higher | No | Yes | No | 12 | Cannot award higher Level 11 State Grant since Pell award not reduced |
| 12 | 1 | No | 0 | 11 | Higher | Yes | No | No | 11 | Pay increased amount for new Level 11 award |
| 12 | 1 | No | 0 | 11 | Higher | Yes | Yes | No | 12 | If Pell not decreased, additional funds can only be disbursed for the difference between the original and revised Level 12 State Grant award |

*Indicates whether difference between the State Grant at the original enrollment level and the State Grant for the revised (original minus W credits) enrollment level was fully refunded to the State Grant program.

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**Comparison of State and Pell Grant
Disbursement and Award Adjustment Policies**

| Scenario | Current SG Policy | Pell Grant Policy |
|--|---|---|
| Award first paid at beginning of term | Base on enrollment level at beginning of term. | Base on enrollment level at beginning of term. |
| Award first paid at end of drop/add period | Base on enrollment level at end of drop/add. Exclude dropped credits. | Base on enrollment level at end of drop/add. Exclude dropped credits. |
| Award first paid after end of drop/add period | Based on enrollment level at time of disbursement. Exclude W credits. | Based on enrollment level at end of drop/add. Exclude W credits. |
| Award first paid after end of term | Based on enrollment level at end of term. Exclude W credits. Subject to Pell Grant requirement to verify attendance if student receives all F grades. Subject to award recalculation if school determines student never attended class. Subject to refund for total or partial withdrawal if school determines student attended but did not complete class(es). | Based on enrollment level at end of drop/add. W credits excluded. Verify attendance if student receives all F grades. Subject to refund for total withdrawal if school cannot document attendance in at least once class. |
| Student withdraws from course after initial State Grant disbursement | Award recalculation required if student never attended class. Otherwise, refund calculation required if award at new enrollment level is less. If award at new enrollment level is higher, no refund required but award can only be increased if Pell Grant is reduced (based on change in enrollment level) or if award increase is based on change in parent contribution or EFC. | In general, no award recalculation takes place after drop/add period unless student never attended class. Refunds not required for partial withdrawals. |
| Student adds credits after initial State Grant disbursement | Disburse additional funds if award at new enrollment level is higher. If award at new enrollment level is less, State Grant is only reduced if the Pell Grant is actually increased (based on change in enrollment level) or award decrease is based on change in parent contribution or EFC. | In general, no award recalculation takes placed after end of drop/add period. |

| | | | |
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| Scenario | Current SG Policy | Pell Grant Policy |
|---|--|---|
| Total withdrawal from school prior to disbursement | Not eligible for State Grant. | Eligible for percentage earned during period of enrollment. |
| Total withdrawal after initial disbursement | Subject to refund calculation for total withdrawal (based on each school's institutional refund policy – proprietary schools subject to prorata policy in MS 141). | Subject to refund calculation for total withdrawal (based on percentage earned for period of enrollment). |
| Retroactive withdrawal backdated to first day of term | If total withdrawal, entire State Grant must be repaid. If partial withdrawal, award recalculated to exclude backdated withdrawal credits. | Subject to refund calculation for total withdrawal (based on percentage earned for period of enrollment). No award recalculation for partial withdrawal after end of drop/add period. |

MN Office of Higher Education Refund Return Form

For Returning End of Year Balances of Post-Closure Refunds

Returning End of Year Balance

(for use with State Grant, State Work Study and Postsecondary Child Care Grant programs)

| Program Name | Aid Year | Amount of Refund |
|--------------|----------|------------------|
| | | \$ |
| | | \$ |
| | | \$ |
| | | \$ |
| | | \$ |

Returning Individual Student Refund(s)

After Program End-of-Year Activity Finalized

(for use with State Grant, State Work Study and Postsecondary Child Care Grant programs)

| Student's Name | SSN | Program | Amount | Term | Aid Year | Reason* | If Reason is PW or CH, please indicate enrollment level at: Time of Disb / Current |
|----------------|-----|---------|--------|------|----------|---------|---|
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |
| | | | \$ | | | | |

Reason Codes:
 NE = not enrolled for term/withdrawal before disbursement
 WI = total withdrawal from school after disbursement
 PW = withdrawal from class but still enrolled
 CH = changed enrollment level
 OT = other

Return refund with form to:
Minnesota Office of Higher Education
Administrative Services Division
 PO Box 64449
 St. Paul, MN 55164-0449

Person Returning Funds:

Name of College:

School Code:

Phone Number:

Date Completed:

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**State
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Program**

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I. State Work Study Program

A. Program Objectives

To provide monetary assistance to students with financial need who are pursuing a postsecondary education, to provide students with valuable work experiences and to provide non-profit service agencies, handicapped persons and persons over 65 with low cost student assistance.

B. Program Overview

The Minnesota State Work Study program provides students at public and private postsecondary institutions in Minnesota with monetary assistance to meet their educational expenses through employment either on or off campus. In addition to working on campus, students may work off campus for non-profit service agencies, handicapped persons or persons over 65 years old. A student may also work as an intern in the for-profit sector in a position directly related to the student's field of study. Program funds are allocated to the Office of Higher Education (the Agency) by the state legislature.

In order to participate in the State Work Study program, the institutional representative (normally the financial aid administrator) must complete the Institutional Request for Participation form sent to the school in February and provide an estimate of the amount of funds necessary to meet the financial need of their students for the next fiscal year (July 1–June 30). Based upon the allocation formula (see 'Calculation and Distribution of Institutional Allocation'), the Agency will calculate each school's allocation. If the school's estimate of need for State Work Study funds is less than the allocation formula amount, the school will receive its requested amount. If the school's estimate exceeds the allocation formula amount which has been adjusted for the prior year's utilization rate, the school receives the amount produced by the allocation formula.

Fifteen percent (15%) of the total State Work Study funds appropriated by the state legislature will be disbursed to participating schools in July. If the school satisfactorily completes and submits all required reports, program information and refunds for the previous fiscal year by August 10, the Agency will disburse 35 percent of the school's current year allocation amount

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in September and the remaining 50 percent in December. In November, schools will be able to adjust their scheduled December installment amount. If the scheduled December installment exceeds the school's need for funds, the school can request a reduction in the scheduled December disbursement. If schools reduce the scheduled December disbursements, those funds will be reallocated to schools that need additional funding. Reallocations are also scheduled if funds are available in January, March, May and June.

The student must be a Minnesota resident attending a Minnesota school for at least six credits per term. The student must also meet all of the other program eligibility requirements.

The amount a student earns is determined by the hourly wage and the number of hours worked. The federal and state minimum wage laws apply. Although most students earn less than \$2,500 per year and work about 15 hours per week, financial aid administrators are not limited in the number of hours worked each week by the student as long as the award amount is within the student's financial need.

A school may use up to 30 percent of its initial allocation to fund student internship positions in the for-profit sector if the position is directly related to the student's field of study and will enhance the student's knowledge and skills in that field.

Each school designs its own application materials subject to program laws and agency rules. The school arranges both on and off-campus work assignments. Each school is responsible for selecting eligible students, disbursing funds and administering the program to comply with state law and agency rules and regulations. The percentage of the student's wages paid by the employer and State Work Study funds is determined by the Agency.

The State Work Study program is modeled after the Federal Work Study program, but has some features not used for the Federal Work Study program. For a chart showing similarities and differences for both programs, please refer to Appendix 6.

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Accurate and current records for every State Work Study student must be maintained at the school. These records are subject to state audit and review.

The financial aid administrator should contact appropriate financial aid division staff at the Agency for guidance in handling a situation which is not addressed in this manual when State Work Study funds are involved.

C. Eligibility to Participate

1. Postsecondary Institutions

Any postsecondary institution that is eligible to participate in the Minnesota State Grant program may participate in the State Work Study program. (See Minnesota Statutes 136A.101, Subd. 4 and Agency Rules 4830.0300.)

2. Employers

Under the Minnesota State Work Study program, the following are eligible employers:

- eligible postsecondary institution as defined above;
- any non-profit, non-sectarian agency located in Minnesota;
- a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's skills in that field;
- any handicapped person who has a physical or mental impairment which substantially limits one or more life activities and who could benefit from student assistance in or about the home residence (this includes providing student employees to handicapped people who are themselves students and require assistance on campus); and
- any person over 65 years of age who could benefit from student assistance in or about the home residence (this includes providing student employees to students who are themselves over 65 years of age and require assistance on campus).

3. Students

a. Enrollment Status

The student must be enrolled or accepted for enrollment on a half-time basis in a degree, diploma or certificate program at an eligible Minnesota institution of

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postsecondary education. Half-time for undergraduate students is defined in Section 136A.101, Subd. 7.b. as a minimum of six credits per quarter or semester or the equivalent. Half-time for graduate students is defined by the institution. Students cannot drop below half-time enrollment. When awarding Work Study to students, priority must be given to students enrolled for at least 12 credits or the equivalent.

Students may be employed in State Work Study positions during one period of non-enrollment or less than half-time enrollment per aid year provided they meet the conditions specified in the ‘Work Performed During Periods of Non-Enrollment or Less Than Half-Time Enrollment’ section of this chapter.

There is no requirement that a student be accepted into a program or course of study leading to a degree, diploma or certificate at the eligible Minnesota institution awarding State Work Study funds as long as the school can confirm that the student is accepted into a program or course of study leading to these credentials at an eligible Minnesota postsecondary institution.

Credit equivalencies assigned by the institution that are applicable for the federal Pell Grant program award calculations shall be counted as part of the student’s credit load.

Credits for remedial course work may be counted towards the student’s enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit remedial hours in a student’s enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the amount of remedial course work that can be counted towards the student’s enrollment level.

Transfer credits earned during a previous enrollment period at another institution or courses the student audited must not be counted for enrollment status.

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Each institution must have written definitions of “full-time” and “part-time” to aid in program administration, avoid confusion and satisfy state audit requirements.

Students may be required to produce evidence such as a fee statement or registration form to verify half-time status.

b. Undergraduate/Graduate Status

Schools may award State Work Study funds to students enrolled in undergraduate or graduate programs. A graduate student is a student enrolled in a graduate program of study even if some of the student’s courses are at the undergraduate level. The percentage of the school’s allocation assigned to graduate students cannot exceed the percentage of graduate students in the total enrollment at the institution.

c. U.S. Citizenship or Eligible Non-Citizen

The student applicant must be a citizen or eligible non-citizen of the United States as defined in the ‘Common Definitions’ section of this manual.

d. Minnesota Resident

To be eligible for State Work Study funds, a student must be a “resident student” as defined in the ‘Common Definitions’ chapter of this manual.

e. Tuition Reciprocity Restriction

A student cannot receive State Work Study funds if the student is receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary institution.

f. Satisfactory Academic Progress/Good Standing

The student must be making satisfactory academic progress as defined in the ‘Common Definitions’ chapter of this manual.

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4. Monitoring Student Eligibility

The financial aid administrator must monitor each State Work Study recipient's continued program eligibility and communicate with appropriate employers regarding changes in status as necessary.

D. Setting Up Employment Positions

1. I-9 Form

Under the Immigration Reform and Control Act of 1986, all new employees must complete and sign the verification form designated by the Department of Homeland Security and provide the employer with the documentation required by this form. This law applies to State Work Study employers and employees. The financial aid administrator must verify that all State Work Study recipients have completed the I-9 form.

2. Child Support Reporting Requirement

Minnesota Statute 256.998 requires all employers doing business in Minnesota to report to the Human Services Department the hiring or re-hiring of any employee who resides or works in Minnesota to whom the employer anticipates paying earnings within 20 days of the date of hiring the employee. Employers are not required to report the hiring of any person who will be employed for less than two months' duration or who will have gross earnings less than \$250 per month. Employers continue to be responsible for honoring court orders for child support or spousal maintenance withholding.

3. Locating Employment Positions

Schools must make a reasonable effort to place State Work Study students in eligible off-campus employment. The school must document in writing its efforts to secure eligible off-campus employers. This documentation must be available for a state audit review. Examples of suitable documentation include copies of correspondence or emails with eligible potential off-campus employers and notes of telephone conversations with eligible employers including the name of the person contacted and the date the call took place.

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4. Eligible Employment Positions

Each position offered by the employer should be reviewed by the financial aid administrator. To the extent possible, State Work Study positions should relate to the student's educational plans and career interests. In determining allowable positions, schools must rely on the state's definition of eligible employer (refer to previous 'Employers' section in this chapter). The financial aid administrator must also rely on Federal Work Study guidelines for determining allowable positions for work on-campus, work for proprietary schools, and work off-campus for non-profit or government agencies (refer to the Federal Work Study program chapter of the *Federal Student Aid Handbook* for further information).

a. Internship Positions

Internship positions are allowed in both the non-profit and for-profit sectors. There is no requirement that a student earn credit for an internship. However, the student must meet the requirements shown under the 'Enrollment Status' section of this chapter unless the student meets the requirements shown under the 'Work Performed During Periods of Non-Enrollment' section. A State Work Study position with a private, for-profit employer must be an internship in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field. The direct relationship of the internship position to the student's field of study must be documented in the employment contract as well as how the position will enhance the student's skills in that field.

b. Tutoring Positions With Local K-12 Schools

Each campus using the State Work Study program is encouraged to cooperate with its local public elementary and secondary schools to place State Work Study students in activities in the schools such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work under direct supervision of K-12 instructional or administrative personnel; therefore, school hiring authorities are not

| | | | |
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required to request criminal background checks on these students under Section 123B.03.

c. Restriction Against Replacement of Permanent Employee in Public Sector

A public employer other than the institution may not terminate, layoff or reduce the working hours of a permanent employee for the purpose of hiring a Work-Study student or replace a permanent employee who is on layoff from the same or substantially same job by hiring a Work-Study student.

5. Rate of Compensation

Student earnings are determined by an hourly wage and the number of hours worked. There is no predetermined minimum or maximum number of hours which a student may work. The financial aid administrator must use discretion in determining the number of hours a student can reasonably work and handle his/her academic work load. Students are paid only for hours actually worked. The hourly wage must at least meet federal or state minimum wage laws, whichever is higher. The federal minimum wage is \$6.55 per hour as of July 24, 2008. Therefore, all State Work Study positions must pay at least \$6.55 per hour during the 2008-2009 fiscal year.

[Note: The federal minimum wage will increase to \$7.25 per hour effective July 24, 2009.]

State Work Study wages are subject to federal and state income tax withholding and, in some cases, FICA withholding if the student is classified as an employee. (See applicable FICA regulations.) Students employed under the State Work Study program are ineligible for unemployment compensation and cannot be paid for sick leave, vacation pay or holiday pay.

6. State Share of Student Compensation

The percent of the state share of compensation paid students employed under the State Work Study program is determined by the Agency. The match is currently 75 percent state share and 25 percent employer share for all State Work Study positions, including

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internships within the for-profit sector. The state share of the State Work Study award cannot exceed the established percentage amount. However, the employer can provide more than its established percent of the student's compensation thus reducing the state share.

7. Employer Share of Student Compensation

The employer must pay at least 25 percent of the student's gross compensation and, in addition, must contribute to FICA (social security), worker's compensation or any other insurance programs when required by the applicable laws in place for those programs.

8. Hours of Employment

The State Work Study program adopts many of the Federal Work Study program guidelines related to hours of employment. There are no limitations on the hours per week a student may be employed. Students are not allowed to volunteer hours without receiving compensation. Students can be paid for a reasonable amount of training hours. Students in community service positions can also be paid for a reasonable amount of travel time to and from community service jobs.

9. Supervision of Employment

The school and the employer must develop a program of supervision consistent with the nature of the assignment and the needs of the individual student. Students employed at local public K-12 schools must work under direct supervision of K-12 instructional or administrative personnel.

10. Off-Campus Employer Contract

When a school determines that an employer is eligible to participate and before a student begins work, a written contract must be entered into between the school and the prospective eligible off-campus employer. In the contract, the employer agrees to abide by the rules and regulations of the State Work Study program and affirms its eligibility as a State Work Study program employer. The work contract documents the nature of the work (description of the position), the hourly wage, the percentage of earnings which the

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employer will pay and the maximum payment to be paid by the employer. Also, the work contract must incorporate provisions for work supervision, time records, payroll and worker's compensation. A work contract for an internship position in the for-profit sector must also document the direct relationship between the position and the student's field of study as well as how the position will enhance the student's skills in that field of study.

Each school is responsible for designing its own State Work Study employer contract. Work contracts must be on file in the financial aid office and are subject to state audit reviews. A sample contract is provided in Appendix 4.

11. On-Campus Employer Contract

The Agency strongly recommends, but does not require, that a contract should be used for on-campus employment. The work contract should be signed by the student and the school before the student begins work. If used, a copy of the work contract must be kept in the student's financial aid file and is subject to state audit reviews. A sample on-campus employment contract is provided in Appendix 5.

E. Amount of State Work Study Award

1. Need-Based Packaging Model

The State Work Study award amount is derived by subtracting the nine-month Federal Methodology Expected Family Contribution (EFC) and other financial aid and resources the student is receiving from the cost of attendance as defined in Title IV, Section 472 of the Higher Education Act. When determining the amount of financial aid and resources to subtract from the cost of attendance, only that portion of non-need based loans which exceeds the EFC must be subtracted. The school must also subtract any State Work Study earnings the student earns during a period of non-enrollment. (see 'Work Performed During Periods of Non-Enrollment.')

The following is an example of a State Work Study award using the need-based packaging model.

| | | | |
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| |
|--|
| <ul style="list-style-type: none"> Cost of Attendance - Federal EFC - Grants, Scholarships, Need-Based Loans - Portion of NonNeed-Based Loans Exceeding EFC - Other Resources as Defined in Title IV Guidelines - <u>Earnings from Period of Non-Enrollment (minus allowable work-related expenses)</u> = Maximum State Work Study Award for Aid Year |
|--|

This is the same need-based packaging model used by the Federal Work Study program. Therefore, the school is expected to follow all applicable federal campus-based packaging guidelines. There is a \$300 annual overaward tolerance for UNINTENTIONAL overawards. The financial aid administrator cannot include the \$300 tolerance when initially packaging the student's State Work Study award. It is extremely important that the financial aid administrator monitor the student's earnings and make any adjustments in order to avoid an overaward situation.

The EFC used in the calculation of the State Work Study award must be the Federal Methodology (FM) EFC and must be documented by a valid SAR or ISIR, or a FM need analysis worksheet used to manually calculate the FM EFC, or the results of financial aid software used by the school to calculate the FM EFC on campus. The school may use professional judgment to adjust the cost of attendance or any of the data elements used to calculate the Federal Methodology EFC. (See 'Professional Judgment' in the 'Common Definitions' chapter.)

2. Work Performed During Periods of Non-Enrollment or Less Than Half-Time Enrollment

A student may work during a period of non-enrollment (zero credits) or less than half-time enrollment (one to five credits) once per aid year if the student signs a statement of intent to enroll as at least a half-time student the next academic term or provides proof of registration for the next academic term. The financial aid administrator is expected to take earnings during periods of non-enrollment into consideration when determining State Work Study eligibility for subsequent award periods. However, the financial aid administrator may subtract allowable work related expenses as outlined for the Federal

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Work Study program when determining the amount of earnings available during the subsequent enrollment period.

When the school calculates State Work Study eligibility for the current aid year, the school should subtract any earnings from a period of non-enrollment (minus allowable work-related expenses) as a financial aid or resource in the award calculation. For example, if the student worked during the summer period of non-enrollment, the amount the student earned would be subtracted as a resource in the award calculation for the subsequent aid year.

F. Disbursement

1. Disbursing Funds to Students

It is preferable that more than one responsible official at the school sign student paychecks. The person who initiates the payment transmittal should not be the party responsible for signing paychecks. Each check or transaction should be identified as originating from the State Work Study program if a separate checking account is not maintained. The check is to be made payable to the student and must reflect the amount indicated on the payroll voucher. The sum of all payroll vouchers must be reconcilable with the general ledger control account.

If the student provides written authorization to do so, the school may apply all or a portion of the student's State Work Study earnings to the student's account via payroll deduction or to the student's bank account via electronic funds transfer (EFT). The school must be able to document the date, amount and funding source of each transaction.

2. Student Account Balances

Unless otherwise authorized by the student, whenever an institution applies state financial aid funds to a student's account and determines that the amount of those funds exceeds or exceeded the amount of allowable charges the institution assessed the student, the institution must pay that balance directly to the student as soon as possible, but within 14 days of the later of:

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- the date that balance occurs,
- the first day of classes of a payment period/period of enrollment as applicable, or
- the date the student rescinds his or her authorization.

If a school receives authorization to hold excess funds, the school must identify the student or parent and the amount of funds the school holds for the student or parent in a subsidiary ledger account designated for that purpose. The school also must maintain, at all times, cash in its bank account at least equal to the amount the school holds for students.

Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by a school from a student or parent, the school must pay:

- any remaining balance on state loan funds by the end of the loan period, and
- any other remaining balance on state financial aid program funds by the end of the last payment period in the award year for which they were awarded.

If a school cannot locate a student to whom a state financial aid credit balance must be paid, the school must return the credit balance to the appropriate program at the Agency. The Agency does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, the Agency encourages schools to return state financial aid fund balances to the SELF loan program first to reduce the likelihood of default.

The school is permitted to retain any interest earned on the student's credit balance funds.

3. Required Payroll Records

Each payment to a student must be supported by time sheets signed by the student's employment supervisor. An electronic signature is acceptable if it meets the electronic certification requirements in place for the Federal Work Study program. Time sheets should record the actual number of hours worked on a specific date, the starting and ending times, whether the hours took place in the morning (a.m.) or afternoon/evening

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(p.m.), the department number and the student's ID number. The supervisor should personally sign each time sheet. (A facsimile or signature stamp should not be used on time sheets.) By signing these time sheets, the student's supervisor is attesting that the hours indicated on the time sheet reflect the actual hours worked by the student. The student is not to be compensated for sick leave, vacation pay or holiday pay. The student's individual payment record must agree with the amounts on the W-2 form.

4. Withholding Tax and Student Compensation

Payments made to students under the State Work Study program are subject to both federal and state income taxes. The employer must also contribute to FICA, worker's compensation or any other insurance programs when required by the applicable laws for those programs.

5. Garnishment of State Work Study Wages

State Work Study wages are considered income and, therefore, are subject to garnishment. Court ordered child support that is withheld from the student's wages cannot be reduced because of garnishment from other creditors.

6. Student Refunds

If a student withdraws or reduces enrollment status below half-time enrollment after disbursement of State Work Study earnings, there is no refund due the State Work Study program. However, the school must cancel any future State Work Study earnings for the remainder of the term.

G. Allocation of Funds to Institution

1. Calculation and Distribution of Institutional Allocation

In February preceding the academic year, the University of Minnesota, MnSCU system office and private schools are requested to submit their total Minnesota resident enrollment figures for the prior year. The Agency also emails each school a State Work Study Institutional Request for Participation form for the upcoming fiscal year. The deadline date for completion and return of the form is March 1 (Appendix 1).

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In March, the list of participating schools for the coming academic year will be finalized. Each campus's initial allocation will be calculated based on that campus's share of the total resident full-year equivalent (FYE) students for all participating campuses. Any campus requesting less than the allocated amount will have its initial allocation reduced to the requested amount and excess funds will be available for reallocation to other campuses in September. In July, 15 percent of each school's initial allocation will be disbursed to the campus to cover funding for the summer term.

In September, after final reports for the previous aid year have been submitted, the initial allocations calculated in March are reduced for campuses with prior year utilization rates less than 100 percent. For example, if a school utilized only 90 percent of available funds in the previous aid year, its initial allocation for the coming year is reduced by 10 percent. Once initial allocations are adjusted, an additional installment is disbursed to campuses for fall term. The amount of the fall term disbursement is 50 percent of the adjusted initial allocation minus the 15 percent of the initial allocation disbursed in July. The remaining 50 percent installment of the adjusted initial allocation takes place in December. The allocation and utilization formulas are provided below.

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| Allocation Formula | |
| <p>a. $\frac{\text{School MN Resident FYE}}{\text{Total MN Resident FYE}}$ for all participating schools</p> <p>b. School's FYE % X Total Work Study FY Appropriation = School's Possible Allocation</p> <p>c. $\frac{\text{Prior Year Total Expenditures}}{\text{Prior Year Total Funds Available}}$</p> <p>d. School's Possible Allocation (result in item b) X Utilization Rate (result in item c) = Schools Adjusted Allocation/Initial Allocation. (If the school's estimate is less than this amount, the school receives its estimated amount.)</p> | <p>= School's % of Total MN Resident FYE (FYE = Full Year Equivalent)</p> |

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Utilization Rate

$$= \frac{\text{Total State Work Study Expenditures for Student Awards Current Fiscal Year}}{\text{Total Expenditures}}$$

- Current Year Initial Allocation (funds disbursed in July, September and December)
- + Current Year Reallocated Funds
- + Funds Carried Forward from Previous Fiscal Year
- + Funds Carried Back from Next Fiscal Year*
- Funds Carried Forward to Next Fiscal Year
- Funds Carried Back to Previous Fiscal Year*
- Refunds Returned to the Agency Before March 1

Total Funds Available

$$\frac{\text{Total Expenditures}}{\text{Total Funds Available}} = \text{Utilization Rate}$$

*In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.

Throughout the academic year, unused funds are requested from campuses and reallocated to other campuses. The first reallocation/refund request is emailed to schools prior to the fall installment of the initial allocation (Appendix 3). Schools are generally given two weeks to respond to the request and return any unused funds to the Agency. In November, schools also have the option of reducing their scheduled December installment amount if it exceeds the school's need for funds. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools requesting additional funding. Schools requesting reallocations are notified via email of the amount of reallocated funds available, with disbursement taking place within two weeks of notification.

A school's utilization rate will not be adversely affected if unused funds are returned to the Agency by March 1. In no case should unused funds be returned to the Agency later than July 31. Each school's final report spreadsheet must be submitted to the Agency by August 9 or the first working day after August 9.

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2. Use of 30 Percent of Allocation for Internships in For-Profit Sector

A school may use up to 30 percent of its initial State Work Study allocation for student internships with eligible, for-profit employers as defined under the ‘Employers’ section of this chapter.

3. Use of Allocation for Awards to Graduate Students

The percentage of the institution’s State Work Study allocation awarded to graduate students cannot exceed the percentage of graduate students in the total enrollment at the institution.

4. Carry Forward, Carry Back of Funds

An institution is allowed to carry forward to the next fiscal year or carry back to the previous fiscal year up to 10 percent of the current year’s initial allocation (i.e., July, September and December allocation disbursements). Schools may NOT carry back funds from the first year of one biennium to the last year of the previous biennium but may always carry forward funds across bienniums. Schools may always carry forward and back between the two fiscal years within a biennium. Funds carried forward or back to another fiscal year will not adversely impact the current fiscal year’s utilization rate. However, they will be considered funds available in the other fiscal year and impact its utilization rate. (See ‘Calculation and Distribution of Institutional Allocation.’)

5. Administrative Expense Allowance

There is currently no administrative expense allowance for the State Work Study program by which institutions can use a portion of their annual allocation to cover administrative costs incurred by the institution.

6. Monitoring Spending Throughout Aid Year

Each school must monitor individual student award amounts and actual earnings so that the total amount of all awards (earnings) does not exceed the amount of the school’s State Work Study allocation plus the employer match. After each pay period, the school must

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monitor the aggregate total of each student's award and must determine the aggregate total of all students' earnings to avoid spending more than the allocated amount.

The school is strongly encouraged to notify the student when the student is close to earning the approved award amount.

H. Funds Management and Reporting Requirement

1. Accountability for Funds

Each participating school is accountable for all State Work Study funds allocated by the Agency and for implementing acceptable procedures and controls to ensure proper accountability. It is preferable that State Work Study funds be deposited in a separate account. If the State Work Study funds are combined with other institutional funds, a fund source number must be traceable to all activity involving the State Work Study account, thus ensuring that State Work Study funds are used only for State Work Study awards.

2. Refunds of Excess Funds

Excess funds are those funds that will not be expended on State Work Study awards or carried forward/back to a contiguous fiscal year.

The business office must keep the financial aid office regularly informed (monthly reports are recommended) of the balance in the account so the financial aid administrator can determine whether the State Work Study allocation will be used during the current aid year. The Agency will periodically send refund/reallocation requests to schools regarding the use of funds during the fiscal year. Excess funds should be returned to the Agency by the date shown on the reallocation/refund request.

Refunds received after March 1 will have an adverse impact on the school's utilization rate used to determine the allocation for the next aid year. At the end of the fiscal year, excess funds must be returned to the Agency no later than July 31.

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To ensure proper credit to the school's records at the Agency, the State Work Study Manager should be informed in writing that the refund is coming and the dollar amount of the refund. The refund check or funds transfer must indicate that the refund belongs to the State Work Study program and the fiscal year for which the refund should be credited.

Refunds are reallocated normally in November, January, March, May and June to those schools requesting additional program funds for that fiscal year.

3. State Reports/Forms

Schools participating in the State Work Study program must correctly complete and submit the following forms and reports on a timely basis. The Agency may issue some of the reports in electronic format.

- Institutional Request for Participation and FYE Reporting form (Appendix 1),
- Reallocation/Refund Requests (Appendix 3),
- Final Report (Appendix 2),
- Student Data Sheets (Appendix 2a), and
- other supporting documentation upon request from the Agency.

I. State Audits

State auditors will periodically visit each participating school to perform an audit. The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See 'Audits' in the 'Common Definitions' chapter for further information.)

Each participating school must establish a procedure by which an auditor can conduct an audit by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar's Office, but that choice is made by the school.

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The school must make available all pertinent books, documents, papers and records for audit and examination for three years after the last day of a fiscal year or until all audit exceptions for the period are resolved.

1. Student Eligibility

The school must have written documentation to support the student's eligibility, including the following:

- that at least half-time status was established and noted for a particular student. The actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the Registrar's Office or other responsible department within the school;
- that the student continued to make satisfactory academic progress as defined under 'Common Definitions' during the time in which the student received State Work Study funding;
- that the Federal Methodology needs analysis was used in determining the student's amount of financial need;
- if professional judgment was used in adjusting the student's EFC or cost of attendance, the appropriate documentation must be included in the student's file;
- that the student has a reasonable cost of attendance which is documented;
- that the student is an eligible resident of Minnesota as defined under the 'Common Definitions' chapter of this manual;
- that the student was a U.S. citizen or eligible non-citizen; and
- that the student was not receiving tuition reciprocity benefits from another state.

2. Award Amount/Time Sheets/Payroll

The school must be able to produce written documentation of the following:

- that a specific amount was awarded to the student based on his/her financial need as determined through Federal Methodology needs analysis;
 - that payroll records verify the amount of each student's wages;
 - that time sheets, signed by the student's supervisor, support the total hours worked;
- and

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- that the total amount of the student’s wages did not exceed his/her allowable award.

3. Employer Contracts

During the audit, the school must be able to produce employer contracts as described under ‘Off-Campus Employer Contract’ and ‘On-Campus Employer Contract’ in the ‘Setting Up Employment Positions’ section of this chapter.

4. Contacts With Off-Campus Employers

The school must provide written documentation of its reasonable efforts to place students in eligible off-campus employment. Documentation of its efforts should include items such as:

- a) copies of correspondence or emails with eligible employers, and
- b) notes of telephone contact with eligible employers, including the name of the person contacted and the date the contact was made.

5. Matching of State Work Study Funds

The school must be able to show:

- that, if the school/employer agrees to pay more than its required 25 percent share of student wages, State Work Study funds cannot exceed the remaining share of student wages;
- that the compensation shares for students under the State Work Study program were in the proper proportion; and
- that, for students employed on-campus, the school or department matched the state share with at least the established employer match amount and that the school’s share was provided from other than State Work Study funds allocated to the school.

J. Summary of State Audit Requirements: Institutional Documentation for State Work Study

Each institution must be able to produce the following for auditors:

1. individual student financial aid files for State Work Study participants;

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2. copy of a valid FAFSA output document or a needs analysis/hand calculation form for each State Work Study student;
3. documentation if professional judgment was used in determining financial need;
4. documentation of how the student's State Work Study award was calculated;
5. documentation that the correct employer and state share of compensation were used to fund the student's State Work Study award;
6. copies of State Work Study final reports and Student Data Sheets submitted to the Agency;
7. copies of Off-Campus Employer Contracts between the institution and the employer;
8. copies of On-Campus Employer Contracts signed by the student and the school, if used;
9. descriptions of supervision provided for State Work Study students;
10. copies of student's time sheets signed by the supervisor;
11. payroll records, W-2 forms;
12. payroll vouchers, general ledger and student account or EFT transactions; and
13. written documentation of attempts by the institution to locate off-campus employers.

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**Minnesota
Statutes
Governing
State
Work
Study
Program**

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136A.231 EDUCATION; POSTSECONDARY STUDENTS; WORK-STUDY PROGRAMS.

The legislature has found and hereby declares that a state work-study program is the best interests of the state in that such a program can

- (1) assist in meeting the financial needs of students
- (2) provide the opportunity for students to obtain valuable learning service experiences and
- (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

History: 1973 c 682 s 1; 1975 c 430 s 1

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

The Minnesota Office of Higher Education shall develop and administer a work-study program. The office shall enter into agreements with institutions of postsecondary education.

History: 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60

136A.233 WORK-STUDY GRANTS.

Subdivision 1. **Allocation to institutions.** The Minnesota Office of Higher Education shall allocate work-study money to eligible postsecondary institutions according to the resident full-time equivalent enrollment of all eligible postsecondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the office, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the office to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

- (a) “Eligible student” means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.
- (b) “Minnesota resident” means a student who meets the conditions in section 136A.101, subdivision 8 .

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- (c) “Financial need” means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the Minnesota Office of Higher Education.
- (d) “Eligible employer” means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.
- (e) “Eligible postsecondary institution” means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.
- (f) “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.
- (g) “Half-time” for undergraduates has the meaning given in section 136A.101, subdivision 7b , and for graduate students is defined by the institution.

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

- (a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.
- (b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.
- (c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.
- (d) Minimum pay rates will be determined by an applicable federal or state law.
- (e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.
- (f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

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- (g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.
- (h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Subd. 4. **Cooperation with local schools.** Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards including the profiles of learning. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 123B.03.

History: 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16; 1981 c 65 s 1; 1Sp1985 c 11 s 49; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 401 s 22,23; 1989 c 293 s 55; 1991 c 356 art 8 s 21; 1Sp1993 c 2 art 2 s 17; 1994 c 532 art 2 s 11,12; 1995 c 212 art 3 s 35,59; 1997 c 183 art 2 s 9-11; 1998 c 397 art 11 s 3; 2005 c 56 s 1; 2005 c 107 art 2 s 60

136A.234 [Repealed, 1Sp1993 c 2 art 2 s 26]



**Office of
Higher
Education
Rules
Governing
State
Work
Study
Program**

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4830.2000 SCOPE.

Parts 4830.2000 to 4830.2600 govern state work-study grants.

Stat Auth: MS s 136A.111; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70

Hist: 8 SR 196

4830.2100 ELIGIBLE SCHOOLS.

Schools eligible for work-study grants are the same schools eligible for state grants under part 4830.0300.

Stat Auth: MS s 136A.04; 136A.111; 136A.121; 136A.132; 136A.141; 136A.16; 136A.233; 136A.234; 136A.70

Hist: 8 SR 196; 15 SR 1780

4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Application by schools.** A school desiring funds for work-study grants must request funds by June 30 each year. The school must submit its estimate of the amount needed to meet eligible student needs for the following school year.

Subp. 2. **Allocation formula.** Funds shall be allocated to each school according to the following formula:

- A. resident full-time equivalent enrollment of each school, divided by the total resident full-time equivalent enrollment of all participating eligible schools;
- B. multiplied by the current fiscal year's appropriation for work-study grants; and
- C. multiplied by the percent of funds for work-study grants actually used by that school during the prior school year.

“Resident full-time equivalent enrollment” means the Minnesota resident full-year enrollment for the year prior to the academic year for which work-study funds are allocated.

Subp. 3. **Modification of allocations.** The director shall allocate funds equal to a school's estimated need if the estimated need is less than the amount determined by the allocation formula.

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Subp. 4. **Accountability.** Each participating school shall be accountable for any funds disbursed to students for work-study grants. Funds may be used only during the fiscal year of disbursement. The school must document its efforts to place students with off-campus employers. The percent of the school's allocation provided to graduate students shall not exceed the percent of graduate students in the total enrollment at the participating school.

Subp. 5. **Unused funds.** The school must return funds which the school determines will not be used within 30 days from the date of a request by the director. The director shall reallocate the funds to other participating schools requesting additional funds.

Subp. 6. **Reallocation.** The director shall reallocate funds using the formula specified in subpart 2, items A and B.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 18 SR 1849; 20 SR 2572

4830.2300 WORK-STUDY GRANTS.

A school shall determine if a student is eligible for a work-study grant. To be eligible a student must meet the requirements of part 4830.0100, subpart 5, items B, C, D (as defined in Minnesota Statutes, section 136A.101, subdivision 7b), E, and F. Priority must be given to students enrolled for at least 12 credits. A student employed during periods of nonenrollment must sign a statement of intent to enroll at least half-time for the next term or provide proof of registration for the next term.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 16 SR 1822; 18 SR 1849; 20 SR 2572

4830.2400 EMPLOYMENT TERMS; AMOUNT OF GRANTS.

Subpart 1. **Eligible employers.** A work-study grant recipient may be employed on-campus by the school or off-campus by any of the following:

- A. a nonprofit, nonsectarian agency located in Minnesota;
- B. a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field;

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- C. a person who has a physical or mental impairment which substantially limits at least one life activity and who could benefit from student assistance in or about the home; or
- D. a person over 65 years old who could benefit from student assistance in or about the home.

Subp. 2. **Amount.** The maximum a student may earn through a work-study grant is the amount of the student's financial need.

Subp. 3. **Hourly wages.** Beginning July 1, 1993, not less than 25 percent of the amount earned by a student shall be paid by the employer, with the actual percentage determined by the school in consultation with the employer. A student shall be paid for hours actually worked at an hourly rate agreed to by the employer and the student, with the approval of the school. However, the student must be paid at least the state minimum wage, if the federal minimum wage is not applicable. Student earnings must be paid according to federal regulations governing payment of student earnings under the federal work-study program.

Subp. 4. **Replacement of permanent employee.** A public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee to hire a work-study student, or replace a permanent employee who is laid off from the same or substantially the same job by hiring a work-study student.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70

Hist: 8 SR 196; 16 SR 1822; 18 SR 1849; 23 SR 594

4830.2500 CONTRACTS WITH EMPLOYERS.

Subpart 1. **Off-campus employer contract.** Before a student begins work, the school and off-campus employer shall sign a contract affirming the eligibility of the employer and agreeing to abide by applicable law and rules.

Subp. 2. **Contents of work contract.** The student, school, and employer shall sign a contract setting forth the nature of the work, number of hours of employment, hourly rate of pay, percentage of earnings to be

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paid by the employer, maximum payment by the employer, pay and time records, payroll, and workers' compensation. Time records must be signed by the student and the employment supervisor.

Subp. 3. **Review and comment.** All contracts signed by the school and employers are subject to review and comment by the director.

Subp. 4. **Supervision.** The school, with the employer, must develop for each work-study assignment a program of supervision consistent with the nature of the assignment and the needs of the individual student. Upon request, the school must submit the program of supervision to the director for review and comment.

Subp. 5. **Reasonable effort.** An institution must make a reasonable effort to place a student in eligible off-campus employment. The institution must document its efforts with documents such as:

- A. copies of correspondence with eligible employers; and
- B. notes of telephone contact with eligible employers. This shall include name of person contacted and date.

Stat Auth: MS s 136A.01; 136A.04; 136A.111 subd 2; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 15 SR 1780; 20 SR 2572

4830.2600 REPORTS BY SCHOOL.

The school must collect demographic and program activity data as specified by the director. The school shall provide the director with individual student data upon request.

End of year program activity and student data reports are required by the director. The school must correctly complete and submit these reports and any applicable refunds to the director by the first working day after August 9. The director shall withhold the school's subsequent year's allocation if the above deadline date is not met.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 13 SR 128; 15 SR 1780; 20 SR 2572



**Appendices:
State
Work
Study
Program**

| | | | |
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Appendices: State Work Study Program

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2008-2009 Minnesota State Work Study Program Institutional Request for Participation

Select your Institution ▼

- We would like to participate in the Minnesota State Work Study program during the 2008-2009 academic year.
This Institution agrees to abide by the applicable laws, rules and policies governing this program.
- We do not wish to participate in the Minnesota State Work Study Program during the 2008-2009 academic year.

Optional: Please indicate why you *do not* wish to participate:

\$ Estimate of 2008-2009 Minnesota State Work Study funds needed. If your institution has consolidated with another institution, be sure to include funds needed for all campuses.

Name of Institutional Representative:

Institution Address:

Telephone Number:

Email Address:

Other staff who should receive correspondence from the Office of Higher Education pertaining to the Minnesota State Work Study Program:

| Names: | Telephone Numbers: | Email Addresses: |
|---|---|---|
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |
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2007-2008 MN State Work Study End of Year Report

| <i>Institution Name</i> | <i>Fice Code</i> |
|---|-------------------------|
| | |
| | |
| | |
| 2007-2008 Initial Allocation | |
| 15% July 2007 | \$0 |
| 35% September 2007 | \$0 |
| 50% December 2007 | \$0 |
| SUBTOTAL - INITIAL ALLOCATION | \$0 |
| | |
| 2007-2008 Reallocations | |
| November 2007 Reallocation | \$0 |
| January 2008 Reallocation | \$0 |
| March 2008 Reallocation | \$0 |
| May 2008 Reallocation | \$0 |
| June 2008 Reallocation | \$0 |
| SUBTOTAL - REALLOCATIONS | \$0 |
| | |
| 2007-2008 Refunds | |
| July 2007 thru December | \$0 |
| January 2008 thru February | \$0 |
| March 2008 thru June (late refunds) | \$0 |
| SUBTOTAL - REFUNDS | \$0 |
| | |
| NET TOTAL OF CURRENT 2007-2008 FUNDS | \$0 |
| | |
| Minus 2007-2008 funds carried back to 2006-2007 | |
| Plus 2006-2007 funds carried forward to 2007-2008 | \$0 |
| TOTAL FUNDS AVAILABLE | \$0 |
| | |
| ON-CAMPUS EMPLOYMENT - GENERAL (position type 1) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| | |
| OFF-CAMPUS EMPLOYMENT - GENERAL (position type 2) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| | |
| ON-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 3) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |

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|---|------------|
| OFF-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 4) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| FOR-PROFIT INTERNSHIP (position type 5) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| NON-PROFIT INTERNSHIP (position type 6) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| K-12 TUTORING (position type 7) | |
| # of unduplicated students | 0 |
| Total dollars earned | \$0 |
| School share (at least 25% of total dollars earned) | \$0 |
| State share (no more than 75% of total dollars earned) | \$0 |
| TOTAL # OF STUDENTS | 0 |
| TOTAL EARNINGS | \$0 |
| TOTAL STATE FUNDS EXPENDED | \$0 |
| Shortage of Funds. Apply carry-back from 2008-2009 to 2007-2008 (limited to 10% of initial allocation) | |
| Maximum funds that could be carried back | \$0 |
| Shortage of Funds for 2007-2008 | \$0 |
| CARRY-BACK FUNDS USED TO COVER SHORTAGE | \$0 |
| Excess funds available for carry-forward to 2008-2009 (limited to 10% of initial allocation) | |
| Maximum funds that could be carried forward | \$0 |
| Excess funds that could be carried forward | \$0 |
| FUNDS CARRIED FORWARD TO 2008-2009 | \$0 |
| FINAL REFUND TO OHE | \$0 |

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2007-2008 MN State Work Study End of Year Report

| 2007-2008 MN State Work Study Program | Student Name | Social Security # | Class Level | Position Type | Total Hours | Total Earnings | Total State Funds Earned |
|---------------------------------------|--------------|-------------------|-------------|---------------|-------------|----------------|--------------------------|
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1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227

Tel: 651-642-0567
800-657-3866
Fax: 651-642-0675

E-mail: info@ohe.state.mn.us
Web: www.ohe.state.mn.us
www.getreadyforcollege.org



Date: June 20, 2008

To: MN State Work Study Program Representative

From: Brenda Larter, Program Assistant
Financial Aid Programs

Subject: MN State Work Study Program – July Refund/Reallocation

We are now requesting refund/reallocation information for the **MN State Work Study Program**. OHE has created a web-based reporting mechanism for this purpose. You can access the reporting screen at: <http://www.getreadyforcollege.org/surveys/refRealloc/ws.cfm>.

In order to be considered in the 2007-2008 MN State Work Study Program reallocation process, you must report at the above web-site no later than **July 1, 2008**. Please report if you will be sending a refund or need additional MN State Work Study funds.

Any program funds returned to OHE after March 1, 2008, will have an adverse affect on next year's allocation. You are allowed to carry-forward up to ten percent of your 2007-2008 initial allocation shown on the spreadsheet as 'Allowable Carry-Forward / Carry-Back to FY 08.'

We don't anticipate receiving a large amount of refunds available for reallocation. However, another way to deal with a shortage of funds for this year is the ability to carry back funds from 2008-2009 to the 2007-2008 academic year. Schools are allowed to carry back up to ten percent of the school's 2007-2008 initial allocation. The amount you can carry back is shown on the spreadsheet as 'Allowable Carry-Forward / Carry-Back to FY 08.' Because the carry back funds are from the coming fiscal year, they will not be sent to schools until July. Therefore, schools will need to pay students from institutional dollars and get reimbursed later.

Please return refunds promptly, reallocations cannot be processed until refunds are received by OHE. All refunds/checks returned should indicate the name of the pertinent program to ensure the funds are credited appropriately. Please check with your business office to ensure the refunds are being processed to meet this deadline. Refunds should be returned to:

**MN Office of Higher Education
PO Box 64449
St. Paul, MN 55164-0449**

The attached spreadsheet shows:

- Institution
- July Allocation
- September Allocation
- December Allocation
- Initial Allocation
- November Reallocation
- March Reallocation
- May Reallocation
- January Refunds
- February Refunds
- Late March Refunds
- Net Disbursements
- FY 07 Carry Forward to FY 08
- Allowable Carry-Forward / Carry-Back to FY 08

If you have any questions, please contact me.

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Minnesota State Work Study Program Off-Campus Employment Agreement

This agreement is entered into between _____ (hereafter called Institution) and _____ (hereafter called Employer) for the purpose of providing work to students eligible to participate in the Minnesota State Work-Study Program (hereafter called Program).

- I. All terms used in this Agreement shall be interpreted in accordance with any definitions contained in Minnesota Statutes 136A.231–136A.233, and Agency Rules 4830.2000–4830.2600 governing the State Work-Study Program.
- II. The Institution maintains the exclusive right to control and direct this Program. The Institution Shall:
 1. Establish appropriate policies with respect to project and Employer eligibility and set forth these policies in writing.
 2. Determine the total number of students to be employed by the Employer at any given time.
 3. Approve the rate of pay each student will receive and supply the total number of hours per week each student may work for the Employer.
 4. Establish specific starting and ending dates for a student's term of employment and set forth any standard under which that term of employment may be terminated.
 5. Determine the amount of the work award for each student and set forth this amount as the maximum gross earnings limit for a student's term of employment.
- III. The Employer certifies that it is a public/or private (circle one) organization eligible to participate in this Program and that the work performed by the students under this Program shall:
 1. Not result in the displacement of the Employer's employed workers or impair the existing contracts for services; and
 2. Be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical location, and educational level and proficiency of the student and any applicable federal, state or local legislation; and
 3. Not involve the construction, operation, or maintenance of so much of any facility as it is to be used or is used for sectarian instruction or as a place of religious worship; and
 4. Not involve any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election for public party office; and
 5. Not involve any lobbying on the federal, state, or local level; and
 6. Not be primarily for the benefit of the membership of a limited membership organization (such as a credit union or fraternal order) other than public; and
 7. Not represent a conflict of interest for any of the parties to this agreement or the federal or state government or any of their political sub-divisions; and

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8. Not be work for which the political support, affiliation, or affinity of the student is a prerequisite or consideration for employment; and
9. Not be work to be performed for an elected official other than as a part of the regular administration of federal, state, or local government.

IV. It is agreed that the Employer shall:

1. Provide orientation to the student with respect to hours of duty, place of duties, working conditions, briefing on safety, standards of conduct and a familiarization with the Employer's procedures. Such orientation shall be designed to aid the student in adjusting to the job situation.
2. Provide the student with an explanation of his or her duties, performance requirements in terms of quality, quantity, methods and priorities, and the necessary basic corrective and progressive training.
3. Provide on-site supervision of the employment activities of the students. Students employed by public K-12 schools performing meaningful activities that directly assist students in K-12 in meeting graduation requirements shall work under direct supervision at all times.
4. Maintain time records for each student and complete the student's payroll time sheets. The time sheets are to be sent to the Institution by payroll due dates established by the Institution. No compensation can be paid to a student without properly authenticated payroll time sheets.
5. Not permit any student to perform work or any project under this Program for more than 40 hours in any week. The Employer shall assume responsibility for payment of compensation to students for hours worked in excess of such maximum limitations. Student eligibility for State Work-Study funds will be reduced by such excess earnings.
6. Not permit any student to work beyond the date specified by the Institution as the ending date of the student's term of employment or exceed his or her gross earnings limit. The Employer shall assume responsibility for payment of compensation to students for hours worked beyond these limits.

- V. Students will be made available to the Employer by the Institution for performance of specific work assignments. Students may be removed from work on a particular assignment or from the Employer by the Institution, either on its own initiative or at the request of the Employer.

The Employer agrees that no student shall be denied work or subjected to different treatment under this Agreement on the basis of race, national origin, religion, sex, age or handicap, and that it will comply with the provisions of the Civil Rights Act of 1964 and Amendments, the Regulations of the Department of health, Education and Welfare which implement that act, and the Minnesota Human Rights Act.

- VI. The Employer shall be deemed the employer for all purposes of this Agreement, except for the purposes of employer compliance with federal social security laws and worker's compensation laws for which purposes the Institution shall be deemed the employer. The Employer has the right to control and direct the services of the student, not only as to the results to be accomplished, but also as to the means by which the result is to be accomplished. The Institution shall be limited to determining that the students meet the eligibility requirements for employment under the State Work-Study Program, and to determine that the students do perform their work in fact.
- VII. The Employer agrees to pay the Institution an amount calculated to cover the Employer share which is 25% of the students gross earnings for students employed under this agreement. Failure by the Employer to pay its share of the compensation to the Institution within 60 days of billing may result in the cancellation of this Agreement.

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- VIII. All payments due as an employer's contribution under any applicable laws (except payments under the Federal Social Security Laws) shall be made directly by the Employer, and the Employer shall furnish to the institution evidence of such payments as requested to do so.
- IX. The Employer shall furnish to the Institution for each payroll period, for review and retention, time reports indicating period of work, name of student, rate per hour, total hours worked during the pay period, the actual number of hours worked on a specific date, the starting and ending times, including an indication of AM or PM, and the supervisor's certification as to the accuracy of the hours reported and of satisfactory performance on the part of the student.
- X. Compensation of students for work performed under this Agreement will be disbursed by the Institution.
- XI. Since State resources are the primary source of funding for this program, the Institution reserves the right to terminate a student's position in the event that available funds have been depleted. The Institution will give the Employer an option of retaining the student worker in the event that either (a) the Employer is willing to pay the student worker's full wages or (b) the student is willing to volunteer his or her time for the Employer. Verbal notification to the Employer by the Institution, with a follow-up written confirmation that the funds have been depleted, shall serve as termination of the student's position, as of the date of the verbal notice.
- XII. The Work-Study Referral/Salary Authorization presented to the Employer shall contain specifics of the provisions set forth in Paragraph II of this Agreement.
- XIII. This Agreement may be canceled at any time by mutual consent of both parties or by written notice of thirty (30) days by either party.
- XIV. The Employer agrees that Students employed in internship positions in the for-profit sector shall perform duties directly related to their field of study. The direct relationship shall be documented within the job description.

Institution

Signature, Supervisor, Work Study Program

Name and Address of College:

Date

Employer

Signature, Employer Supervisor

Title of Supervisor

Name of Employer

Street

City State Zip

()
Phone

Date

| | | | |
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State Work-Study Referral/ Salary Authorization

Student Name _____

Student I.D. No. _____ Social Security Number _____

The above named student is certified as eligible for employment under the terms of the State Work Study Program.

I hereby certify that said institution will provide 75% of the applicant's compensation as provided by agreement, and that the applicant has been informed of her/his obligations and limitations under the State Work-Study Program.

The rate of compensation the above student may receive will be determined by the employer and must comply with federal and state minimum wage laws. The student's period of employment shall be from _____ to _____. Students may be removed from work on a particular assignment or from the Employer by the Institution, either on its own initiative or at the request of the Employer.

Gross amount of funds which the above-named student is approved to earn within the specified time period: \$ _____

Suggested maximum number of hours per week: _____

Signature of Authorized Financial Aid Officer

Date

If you decide to hire this student, please complete the boxed in section below. Send the completed form to:

(Keep a copy for your records.) If the student qualifies and if we have remaining funds through this program we will type an employment contract for the student and your agency. If you do not hire the student return the form to the student without completing the section below.

Employer's Name

Immediate Supervisor

Phone

Supervisor's Work Address

Student's Exact Start Date

Proposed Hourly Rate of Pay

Supervisor's Signature

Student's Job Title

Date

| | | | |
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Job Description Form State Work Study Program

Instructions: Complete both sides of this form. Return it to the Financial Aid Office at:

Section 1.

Employer _____

Address/Building _____

City/State/Zip Code _____

Employer Telephone No. _____

Supervisor(s): Name _____
Last
First

Telephone No. _____

Name _____
Last
First

Telephone No. _____

Section 2. Job Description

Job Title _____

List Duties and Qualifications. (If the student is employed in an internship position in the for-profit sector, the employer must also describe the direct relationship between the internship position and the student's field of study.)

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Section 3. Skill Level Determination

You must check one box in each of the following sections which best describes the position.

Accountability (Decision Making)

- Assigned tasks done as specified.
- Assigned tasks done with minimal decisions.
- Judgements made.
- Interpretations made.
- Must be responsible for work performed by others.

Confidentiality

- Does not work with any confidential information.
- Some work confidential.
- Handles confidential information much of the time.

Consequence of Error

- Limited to department, easily correctable.
- Correctable, impact reaches beyond work unit or department.
- Severe, correction difficult and/or impossible.

Knowledge/Experience

- No previous experience required.
- Easily acquired skills, minimal training.
- Previous skills required and training necessary.
- Complex, must have specialized skills, minimum training necessary.
- Complex, highly technical, must have specialized skills, no training necessary.

Nature of Work

- Being there, time to study on the job.
- Routine tasks or duties.
- Beyond routine, but must follow set, defined procedures.
- None of the above, work is more complex.

Supervision of Others

- Never.
- Sharing knowledge with fellow workers (helping).
- Teaches tasks, procedures.
- Supervises others.
- Assigns tasks to others.

Supervision Required

- All (most) work reviewed.
- Works independently less than 50% of the time.
- Works independently more than 50% of the time.
- Little or no supervision.

Scope of Work (Contact with Others)

- Limited to co-workers.
- Reaches to other departments.
- Campus (or Agency) wide.
- Beyond the campus (or Agency).

Does this position require

- Research.
 - Computer Programming.
 - Teaching of others (Instructor).
 - Graduate Student.
 - None of the above.
-

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Minnesota State Work Study On-Campus Employment Contract

| | |
|--|---|
| Student Name: | Soc. Sec .No.: |
| Total Minnesota State Work Study: Award Amount: \$ _____ | Period of Employment: from: ___/___/_____ to ___/___/_____ |
| Name of Position: (attach position description) | Department Where Position Located: |
| Name of Supervisor: | Hourly Rate: \$ _____ Hours Per Week: _____ |
| I-9 Form on File: <input type="checkbox"/> Yes <input type="checkbox"/> No | % Paid by Employer: _____% by SWS: _____% |

Student Responsibilities:

1. I will give my supervisor two weeks notice if I wish to resign.
2. I will report to work on time.
3. I will ask my supervisor to be excused in advance if I am unable to work my assigned hours.
4. I will be placed on "work probation" or be dropped from the program if my GPA falls below 2.0.
5. I will be dismissed if I violate work regulations.
6. I will not work more than 8 hours per day (40 hours per week) without permission from my supervisor.
Overtime is NOT permitted.
7. I will complete an I-9 form before beginning work.
8. I will inform the school if I am subject to court-ordered child support obligations which are required to be withheld from your income.
9. (For position during period of non-enrollment) I certify I was enrolled during the previous term and plan to enroll for _____ credits during the term following the current term.

Supervisor Responsibilities:

1. The supervisor will be responsible for verifying the accuracy of student time sheets and signing time sheets in a timely manner.
2. The supervisor will be responsible for submitting time sheets to payroll on a timely basis.
3. The supervisor and financial aid office will be responsible for monitoring student hours and earnings so that earnings do not exceed the student's total State Work Study award.
4. The supervisor will ensure adequate supervision commensurate with job duties and will be responsible for providing the training necessary for successful performance of the job.

Signatures:

The information on this contract form is accurate. I have read and agree to the employment conditions of this contract.

Student's Signature: _____ Date: ___/___/_____
Supervisor's Signature: _____ Date: ___/___/_____

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Comparison of Federal and Minnesota State Work Study Programs

| Program Component | Federal Work Study | Minnesota State Work Study |
|---|---|--|
| Student Eligibility Requirements | <ul style="list-style-type: none"> • U.S. citizen or eligible non-citizen. • Making satisfactory academic progress. • No state residency requirement. • No required enrollment level. • Undergraduate or graduate students. • Enrolled in program leading to credential. • Any eligible Title IV college. • Eligible during period of non-enrollment. • No reciprocity restriction. • HS diploma, GED or pass ability-to-benefit test. • Ineligible if loan default. • Drug conviction restriction. • Overpayment restriction. • Selective Service requirement. | <ul style="list-style-type: none"> • U.S citizen or eligible non-citizen. • Adopts Title IV SAP policy except state requires minimum GPA of 2.0 after first term of student's 3rd academic year at institution. • Minnesota resident (as defined for State Grant). • Enrolled half-time (6 credits for undergraduates, school defines for graduate students); priority to full-time students (12 credits). • Undergraduate or graduate students (share awarded to grad students can't exceed their share of all students at school). • Enrolled in program leading to credential. • Enrolled at MN college. • Eligible during one term of non-enrollment or less than half-time enrollment per aid year. • Reciprocity students not eligible. • No HS diploma, GED or ATB test requirement. • No loan default restriction. • No drug conviction restriction. • No overpayment restriction. • No Selective Service requirement. |
| Eligible Employer | <ul style="list-style-type: none"> • Title IV eligible institution. • Non-profit, non-sectarian agency or school. • For-profit organization (if academically relevant). • Services for students with disabilities. • Not specifically mentioned. • Off-campus employment contract required. | <ul style="list-style-type: none"> • MN postsecondary institution. • Non-profit, non-sectarian agency or school. • For-profit organization (if internship related to student's area of study). • Individual with substantial disability. • Individual over 65 requiring assistance. • Off-campus employment contract required (on-campus encouraged). |

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| Program Component | Federal Work Study | Minnesota State Work Study |
|----------------------------|--|--|
| Types of Employment | <ul style="list-style-type: none"> • To extent possible, positions should be related to student's educational goals. <p>On-Campus (including with contractors)</p> <ul style="list-style-type: none"> • Cannot displace employees or contractor employees. • No constructing, operating or maintaining area used for religious worship or instruction. • If for-profit school, on-campus positions must provide student services, not involve recruiting, compliment student's educational goals. <p>Off-Campus, Non-Profit</p> <ul style="list-style-type: none"> • Must be in public interest (not limited to membership, organization, non-political). • Prohibits displacement of employees. <p>For-Profit Organizations</p> <ul style="list-style-type: none"> • Academically relevant to student's area of study. • Prohibits displacement of employees. <p>Earning credit for position okay if:</p> <ul style="list-style-type: none"> • Not paid less because credit awarded. • Not paid for receiving instruction. • Not normally paid for position. | <ul style="list-style-type: none"> • To extent possible, positions should be related to student's educational goals. <p>On-Campus (including with contractors)</p> <ul style="list-style-type: none"> • No displacement restriction. • Adopts FWS policies. • Adopts FWS policies. <p>Off-Campus, Non-Profit</p> <ul style="list-style-type: none"> • Adopts FWS policies. • Prohibits displacement of employees. <p>For-Profit Organizations</p> <ul style="list-style-type: none"> • Must be internship in student's area of study. • No similar displacement restriction. <p>Adopts FWS policies.</p> |

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| Program Component | Federal Work Study | Minnesota State Work Study |
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| Employment Conditions | <ul style="list-style-type: none"> • Must pay at least federal minimum wage. • Subject to federal and state tax withholding. • Cannot volunteer hours. • Can be paid for required training up to 20 hours. • Can be paid for travel to community service jobs. • No limits on hours per week (but may be FICA withholding considerations). • No garnishment of wages except to pay COA components. • Must complete required forms for Department of Homeland Security. • No compensation for sick leave, vacation or holidays. | <ul style="list-style-type: none"> • Must pay at least federal or state minimum wage (whichever higher). • Adopts FWS policies. • Adopts FWS policies. • Adopts FWS policies. • Adopts FWS policies if job meets FWS definition of community service. • Adopts FWS policies. • Garnishment allowed. Cannot reduce garnishment for court-ordered child support due to garnishment from other creditors. • Adopts FWS policies. • Adopts FWS policies. |
| Award Calculation | <p>COA–EFC–Resources/Financial Aid</p> <ul style="list-style-type: none"> • Certain non-need based loans can replace EFC. • Optional exclusion of subsidized Stafford Loan up to amount of Chapter 30 veterans educational benefits and/or Americorps funds. • Work Study earnings (minus job-related expenses) during period of non-enrollment are considered resource. | <p>COA–EFC–Resources/Financial Aid</p> <ul style="list-style-type: none"> • Same • Same • Same |

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| Program Component | Federal Work Study | Minnesota State Work Study |
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| Disbursement | <ul style="list-style-type: none"> • Must pay student at least monthly. • May issue check to student or, with student's authorization, credit student's account or transfer to student's bank account via EFT. • May pay school share of student's wages with non-cash contribution (tuition, room and board, books, etc.). • Must pay student out of fiscal year hours were performed (e.g., FY06 for hours before June 30, 2006, and FY07 for hours on and after July 1, 2006). • FWS not included in refund calculations, since student earned funds. | <ul style="list-style-type: none"> • Adopts FWS policies. • Adopts FWS policies. • No similar provision. • Adopts FWS policies. • Adopts FWS policies. |
| Use of Allocation | <ul style="list-style-type: none"> • FWS provides administrative cost allowance to administer program (portion may be used to set up community service program or training tutors). • Must use 7% of allocation on community service jobs and 1 or more students must be employed in reading tutor or family literacy project. Options for waivers. • School can only use 25% of allocation for positions in for-profit sector. • School can only fund 10% of total FWS students employed at non-profit or government agency with 90% FWS/10% employer share. • Lesser of 10% of allocation and reallocation or \$50k can be used to create or expand JLD program. • 25% of funds can be transferred to FSEOG program. | <ul style="list-style-type: none"> • No administrative cost allowance provided. • No similar provision, but community service and tutoring positions strongly encouraged. • School can only use 30% of allocation for positions in for-profit sector. • No similar provision. • No similar provision. • No similar provision. |

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| Program Component | Federal Work Study | Minnesota State Work Study |
|---------------------------------------|--|---|
| Use of Allocation continued | <ul style="list-style-type: none"> • Similar to SWS except no restriction against carry back across biennium. • Reallocation at end of year only to schools using 5% of allocation for students employed as tutors/literacy projects. School must request, have fair-share shortfall, and use for community service jobs. • Excess funds returned at end of year. School penalized dollar for dollar if amount returned exceeds 10% of allocation. | <ul style="list-style-type: none"> • School can always carry forward/back up to 10% of initial allocation to/from next fiscal year, except CANNOT carryback across biennium. • Refunds requested and reallocations performed throughout aid year by Office of Higher Education. • Excess funds returned after March 1. Reduce allocation for next year by % allocation returned. |
| Work Study/ Employer Share | <ul style="list-style-type: none"> • Standard shares are 75% FWS/25% employer. • FWS can fund 100% of student's wages if employed in certain tutoring or literacy positions. • FWS can fund 100% of student's wages at colleges serving high need populations (eligible school under CFR 606,607,608,609) . • FWS can fund up to 90% of student's wages if employed at non-profit or government agency and employer cannot afford 25% share (limited to no more than 10% of FWS recipients). • FWS covers only 50% of student's wages if employed in for-profit sector. • FWS covers up to 80% of wages for JLD program development positions. | <ul style="list-style-type: none"> • Standard shares are 75% SWS/25% employer. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. • No similar provision. Standard 75/25 SWS/employer share. |

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| Program Component | Federal Work Study | Minnesota State Work Study |
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| Payroll Records/ Supervision | <ul style="list-style-type: none"> • School/employer must develop program of supervision consistent with nature of job and needs of student. • Not specifically addressed in FWS law, but local school districts may require this. • Timesheet must be signed by supervisor. Electronic signature okay if meets guidelines for electronic certification. | <ul style="list-style-type: none"> • Adopts FWS policies. • Students employed in K-12 schools must work under direct supervision of school district personnel. • Adopts FWS policies. |



**Postsecondary
Child
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I. Postsecondary Child Care Grant Program

A. Program Objective

To provide financial assistance to postsecondary students with financial need who require child care assistance for their dependent children and do not receive funds from the Minnesota Family Investment Program (MFIP).

B. Eligibility to Participate

1. Postsecondary Institutions

A Minnesota public postsecondary institution, a Minnesota private baccalaureate degree granting college or university, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to participate in the Postsecondary Child Care Grant program. The institution must also meet the definition of eligible institution in Minnesota Statutes 136A.101, subd. 4 which requires private institutions to be licensed or registered by the Agency or another state agency and, by July 1, 2011, participating in the federal Pell Grant program. The institution must sign an Institutional Participation Agreement with the Minnesota Office of Higher Education (the Agency) which specifies the responsibilities of the postsecondary institution and the Agency (see Appendix 5 of 'State Grant' chapter). The institution must also complete and return the annual Institutional Request for Participation form (see Appendix 1 of this chapter).

2. Student Eligibility

Each participating school must maintain accurate and updated records for every student receiving Postsecondary Child Care Grant funds. The financial aid administrator must verify through the appropriate administrative office at the school that the student is enrolled and pursuing eligible course work to receive Postsecondary Child Care Grant funds.

Also, the financial aid administrator must continually verify that the student meets the program eligibility requirements that follow. Each institution must establish a procedure to inform the financial aid office (or other appropriate office) of all changes in a student's status which may affect his/her eligibility for a Postsecondary Child Care Grant.

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a. U.S. Citizenship or Eligible Non-Citizen

A student who receives a Postsecondary Child Care Grant must be a citizen or eligible non-citizen of the United States as defined in the ‘Common Definitions’ chapter of this manual.

b. Minnesota Resident

The student must also be a Minnesota resident as defined in the ‘Common Definitions’ chapter of this manual. The financial aid administrator should request documentation from the student to verify residency in questionable cases. Documentation could include such items as an apartment lease or copies of income tax returns.

c. Satisfactory Academic Progress/Good Academic Standing

The student must be in good academic standing and be making satisfactory academic progress as defined in both federal student aid regulations and Minnesota Statutes 136A.101, Subd.10. (See ‘Common Definitions’ chapter of this manual.)

d. Enrollment Status

The student must be enrolled as at least a half-time student. For purposes of this program, the student must be enrolled for a minimum of six credits per term at a term-based school and averaging 12 clock hours per week at a clock hour program.

Credit equivalencies assigned by an institution that are applicable to federal Pell Grant calculations shall be counted as part of the student’s credit load.

Transfer credits earned for previous course work at another institution or courses the student audited must not be counted towards enrollment status.

e. Undergraduate Program/Baccalaureate Degree

The student must be enrolled in an undergraduate program and must not have earned a baccalaureate degree.

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f. Four Years of Postsecondary Education

The student must not have completed the equivalent of four full-time years of postsecondary education. (Please refer to the ‘State Grant’ chapter of this manual for instructions on reviewing transcripts to assess the amount of previous postsecondary education.) Terms during which a student withdrew for activity military service after December 31, 2002, shall not count against the limit on postsecondary education.

g. Reciprocity Status

The student must not be receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary school.

h. Course of Study

The student must be pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma or certificate at the postsecondary level. This includes prevocational/remedial programs.

Credits for remedial course work may be counted towards the student’s enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit remedial hours in a student’s enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the amount of remedial course work that can be counted towards the student’s enrollment level.

There is no requirement that a student be accepted into a program or course of study leading to a degree, diploma or certificate at the eligible Minnesota postsecondary institution awarding a Postsecondary Child Care Grant as long as the school can confirm that the student is accepted into a program or course of study leading to these credentials at a Minnesota postsecondary institution eligible to participate in the Postsecondary Child Care Grant program.

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i. Eligible Child

The student must have a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in Minnesota Statute section 125A.02, and who is or will be receiving care on a regular basis from a licensed or legal non-licensed care giver.

“Handicapped child” means a child who has a hearing impairment, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, a child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

To be eligible for an award, the applicant’s child must meet the requirements for inclusion in the student’s (independent applicant) or parents’ (dependent applicant) household size as specified for the federal need analysis formula.

If the applicant has a foster child that meets the federal requirements for inclusion in the household size, the applicant is eligible for a Postsecondary Child Care Grant award. However, any child care assistance funds the student’s family receives from the county must be subtracted from the student’s actual child care costs before calculating the Postsecondary Child Care Grant.

j. Dependency Status

Both independent and dependent applicants are eligible to participate in this program provided they meet the program eligibility requirements. Dependency status must be

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consistent across financial aid programs and is defined in the ‘Common Definitions’ chapter of this manual.

k. MFIP and Other Public Assistance

The student must not be receiving benefits from the Minnesota Family Investment Program (MFIP). Students receiving General Assistance (GA) are eligible for the Postsecondary Child Care Grant program.

If the student is excluded from receiving MFIP benefits, the student is eligible to receive a Postsecondary Child Care Grant even if the student’s children are the recipients of MFIP benefits. The financial aid office must collect documentation from the county proving the student is excluded from receiving MFIP benefits.

Students can receive MN Care, Medical Assistance or Food Stamps and still be eligible for aid from the Postsecondary Child Care Grant program if those benefits are not under the MFIP program.

If a student’s MFIP status changes mid-term, please refer to ‘Prorating Awards When Eligibility Limited to Partial Term.’

l. Default Status

A student cannot receive a Postsecondary Child Care Grant if the student is in default on any educational loan unless the student produces documentation from the guarantor, lender or servicer that the loan has been paid in full or otherwise satisfied (i.e., meets criteria for reinstatement of Title IV aid eligibility). Once the student regains eligibility for financial aid, the student may be retroactively awarded for the current aid year.

m. Ten-Day Reporting Requirement

A student must report any changes to data reported on the application within 10 days of the change.

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3. Eligible Child Care Provider

An eligible child care provider under the Postsecondary Child Care Grant program is:

- a licensed child care provider;
- a “legal non-licensed care giver.” A “legal non-licensed care giver” is a person who is at least 18 years old and 1) is related to the student OR 2) takes care of the child(ren) from only one other family besides his/her own. There is no requirement that the care giver have children of his/her own; or
- other programs excluded from state licensure under Minnesota Statutes 245A.03, Subd 2 (www.leg.state.mn.us).

The following persons are NOT eligible child care providers:

- The child’s natural parent, adoptive parent or stepparent.
- The following individuals if they live with the student’s children and the student does not reside in the same household: legal custodian or guardian, grandparents, brother, sister, half-brother, half-sister, stepbrother, stepsister, uncle, aunt, first cousin, first cousin once removed, nephew, niece, person of preceding generation as denoted by prefixes of “great,” “great-great,” or “great-great-great,” or a spouse of any person named above even after the marriage ends by death or divorce.

The county or state in which the child care is provided or the provider is licensed is irrelevant. The agreement for child care services is between the student and the child care provider. The school is not involved.

C. Application Process

1. Postsecondary Child Care Grant Application

Each participating institution must either use the “Postsecondary Child Care Grant Program Application” form (Appendix 2a) provided by the Agency or design a comparable application form which contains all of the questions shown in Appendix 2a.

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All information on the application form must be completed prior to finalizing a student's award. If the student and provider cannot supply all information at the time of application, they must supply this information prior to receiving any program monies. If a school awards a Postsecondary Child Care Grant based upon an incomplete application, the Agency will require the school to repay the funds to the Postsecondary Child Care Grant program.

The school is responsible for verifying that the total income and household size reported on the student's child care application are consistent with the total income and household size defined in Federal Methodology and used to determine eligibility for other financial aid programs.

Each institution must maintain a copy of each student's Postsecondary Child Care Grant application in the student's financial aid file. An institution may maintain electronic records for the fiscal year file instead of paper copies so long as the records will be available to state auditors.

2. Application Deadlines

All student applications must be dated with the date of receipt in the financial aid office. The school must establish a deadline date by which applications for initial and renewal awards must be received to be considered in the initial prioritization of applications. Applications filed after those deadlines may be accepted until the deadline for submission of the End of Year Report (August 9).

3. Prioritizing Applicants/Renewal Applications

Schools may accept applications for Postsecondary Child Care Grant awards until the school's established deadline date and then award students according to the school's written priority policy. All Postsecondary Child Care Grant applicants who need child care assistance must be considered in the priority ranking. Schools must first award students who received a Postsecondary Child Care Grant award in the immediately preceding fiscal year,

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have had continuing enrollment at the same school, and submitted applications before the deadline date established for the prioritization of applications.

“Continuing enrollment” means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status. Students whose postsecondary enrollment was interrupted for active military duty after December 31, 2002, shall be treated as though they were continuously enrolled.

4. Change in Student’s Application Information

The student must report any changes to data reported on the Postsecondary Child Care Grant application within 10 days of the change to the individual handling the Postsecondary Child Care Grant program at the postsecondary institution. The child care provider is also instructed to report to the college administrator any changes to information supplied in the provider section of the application. All financial changes reported to the school must be dated with the date of receipt by the financial aid office.

5. Conflicting Information and Verification

Schools are responsible for resolving all conflicting information on the student’s application. Institutions are required to make financial changes to the FAFSA or the student’s Postsecondary Child Care Grant application if the change will have an impact on the student’s award.

If a student’s application is selected for verification by the FAFSA processor, the institution is responsible for verifying the accuracy of data provided on the student’s application using procedures and tolerances established for federal Title IV financial aid programs, even if the institution does not participate in those programs. The school should obtain a copy of the federal ‘Application and Verification Guide’ for the current aid year at www.ifap.ed.gov for further guidance.

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D. Award Process and Calculation

1. Written Award Policy

The Agency strongly recommends that the school have a written Postsecondary Child Care Grant award policy with the effective date for implementation. **Prior to drafting this policy, the school should review the Minnesota Statutes governing this program and Agency rules applicable to this program to be sure that the school's policy is in accordance with these statutes and rules (see statutes and rules following procedures section of this chapter).** The policy should be signed and dated by the director of financial aid, his/her supervisor and one other institutional official. This policy should include the following:

- a. the institution's method of prioritizing Postsecondary Child Care Grant applications;
- b. the deadline date for receipt of applications at the financial aid office in order to be included in the initial prioritization of Postsecondary Child Care Grant applications;
- c. the deadline date to resubmit an application for continuing a Postsecondary Child Care Grant;
- d. the standard method of award disbursement to the student or child care provider (i.e., by term or by month) with the reason(s) for deviation from this disbursement policy documented in a student's financial aid file;
- e. the method used to create and maintain a waiting list if sufficient Postsecondary Child Care Grant monies are not available to award all eligible applicants; and
- f. any other institutional policies used to determine which students receive Postsecondary Child Care Grant awards and how individual student award amounts are determined.

The above suggestions are made to protect the institution in dealing with applicants to the Postsecondary Child Care Grant program and to provide for the equitable treatment of program applicants.

2. Period of Award

A Postsecondary Child Care Grant award must be made for the nine-month academic year. However, the award for each term must be revised each term to reflect the student's actual

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child care costs and enrollment status for that term. Schools are responsible for assuring that funds are available to cover eligible child care costs for each student awarded a Postsecondary Child Care Grant. Applications may be approved or student eligibility extended beyond the allocation amount if funds from other sources are used.

In cases where the award is not finalized until later in the academic year, the school has the option of awarding (but is not required to award) retroactively for prior terms of the academic year provided the student was enrolled and incurred child care costs. (See also ‘Waiting Lists/Retroactive Awards’ and ‘Late/Retroactive Disbursement’ sections of this chapter.)

The student is also eligible to receive a Postsecondary Child Care Grant for the summer term beyond the amount awarded for the nine-month academic year. The award for the summer term would be calculated in the same manner as for other terms during the academic year.

A student could receive a Postsecondary Child Care Grant for the nine-month academic year and both a leading and trailing summer term provided both summer terms were crossover terms (started before and ended after July 1) and the total dollar amount awarded to the student for all terms did not exceed 150 percent (semester school) or 133 percent (quarter school) of the annual maximum award for the student’s income and household size.

3. Award Calculation

All documents relating to a student’s Postsecondary Child Care Grant award, whether produced or received by the financial aid office, must be dated with the date the document is produced and/or received.

The institution is responsible for calculation of each student’s Postsecondary Child Care Grant award. The calculation must be documented.

Although the Postsecondary Child Care Grant award may initially be calculated for the nine-month academic year based on assumed actual costs and enrollment status, the award

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must be revised at the onset of each term to reflect actual costs and enrollment status for that term. The student is also eligible to receive the grant for the summer term beyond the nine-month academic year. The award for the summer term would be calculated in the same manner as for other terms during the academic year.

In cases where the student is not receiving the Postsecondary Child Care Grant for the entire term, the actual costs and maximum award used to calculate the award must be prorated. (See ‘Prorating Awards When Eligibility Limited to Partial Term.’)

A student could receive a Postsecondary Child Care Grant for the nine-month academic year and both a leading and trailing summer term provided both summer terms were crossover terms (started before and ended after July 1) and the total dollar amount awarded to the student for all terms did not exceed 150 percent (semester school) or 133 percent (quarter school) of the annual maximum award for the student’s income and household size.

The total Postsecondary Child Care Grant awarded to the student each term is the sum of Postsecondary Child Care Grant awards for each of the student’s eligible children. The term award for each eligible child is the lesser of:

- the student’s actual (reported) child care costs for that child during the term, or
- the maximum annual award per eligible child on the Postsecondary Child Care Grant table divided by three (quarter) or two (semester) and adjusted for enrollment status.

(See ‘Adjustment to Maximum Award Table for Infant Care.’)

The student’s total Postsecondary Child Care Grant award may not exceed the student’s financial need which is derived by subtracting the EFC and other financial aid and resources from the cost of attendance in accordance with packaging guidelines used for federal Title IV campus-based programs. However, the school may add the student’s total actual child care costs to the cost of attendance before computing financial need.

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For an example of a Postsecondary Child Care Grant award calculation, please refer to Appendix 4. Schools may also use the Child Care Grant award calculation spreadsheet posted on the Agency’s web page to calculate awards. The spreadsheet can be downloaded from: www.ohe.state.mn.us, Financial Aid Administrator Resources, Forms for Financial Aid Administrators.

a. Actual Child Care Costs

The child care provider reports actual hourly and weekly child care costs per eligible child for the period of award on the Postsecondary Child Care Grant Application. When calculating actual child care costs for each term, the school may include child care costs for breaks during term or for breaks between two terms for which the student will be enrolled.

The school, at its discretion, may require receipts or other documentation to verify actual costs. The Agency or the school may also contact providers to verify that Postsecondary Child Care Grant monies are being spent on child care and the rates listed in the provider section of the application are accurate.

The maximum rate payable to an eligible provider is \$5.00 per hour for non-center care and \$10.00 per hour for center care, for a maximum of 40 hours per week per eligible child. Providers may charge students in advance of services rendered. Child care providers may not charge Postsecondary Child Care Grant recipients a higher rate than private pay clients are charged.

If the application or other documentation indicates that actual child care costs are being defrayed by other child care assistance funds (e.g., Basic Sliding Fee child care funds, spouse receiving Postsecondary Child Care Grant, employer-subsidized child care assistance, county child care assistance for foster children, etc.), those funds must be subtracted when determining actual costs for the Postsecondary Child Care Grant award. An example of an award calculation for a student receiving funds from both the Basic Sliding Fee and Postsecondary Child Care Grant programs is provided in Appendix 4a.

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The school must also decrease actual costs by the amount of any court-ordered (e.g., divorce settlement) day care assistance paid to the provider by the other parent if it is not considered child support already included in the student's AGI or untaxed income on the FAFSA.

b. Maximum Award Table

The table in Appendix 3 shows the maximum Postsecondary Child Care Grant available for the nine-month standard academic year per eligible child. The amount shown for the student's income and family size is divided by two (semester) or three (quarter) to determine the maximum term award per eligible child for a full-time student. The maximum term award must be pro-rated on a per credit basis for students taking fewer than 15 credits (e.g., term award is multiplied by 13/15 for a student enrolled for 13 credits).

If the student is enrolled for the summer term, the student may receive one additional term award above and beyond the maximum annual award shown on the chart for the student's total income and household size. For example, if the maximum annual award for the student's income and household size were \$2,600, the student could receive up to \$1,300 for fall semester, \$1,300 for spring semester and an additional \$1,300 for summer semester.

A student could receive a Postsecondary Child Care Grant for the nine-month academic year and both a leading and trailing summer term provided both summer terms were crossover terms (started before and ended after July 1) and the total dollar amount awarded to the student for all terms did not exceed 150 percent (semester school) or 133 percent (quarter school) of the annual maximum award for the student's income and household size.

(1) Student's Total Income and Household Size

The school must verify that the total income and household size reported on the child care application are those defined in Federal Methodology and used to

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determine eligibility for other financial aid programs. Schools must have written documentation in the student’s file to support the accuracy of the family size and total income reported on the Postsecondary Child Care Grant application (e.g., SAR, ISIR, income tax statements, verification worksheet, etc.).

“Total income” means taxable income (adjusted gross income if tax filer, wages if non-filer) plus untaxed income from FAFSA worksheets A and B, minus income exclusions from FAFSA worksheet C.

The school is required to rely on federal aid regulations regarding the correction or updating of household size, total income or marital status. The school is also required to perform federal verification if the student’s FAFSA is selected for verification, even if the school does not participate in federal student financial aid programs. The financial aid administrator may use “professional judgment” to alter the data elements used in Federal Methodology but must document the reason(s) the adjustment(s) was made. (See definition of “professional judgment” in the ‘Common Definitions’ chapter of this manual.) Such professional judgment adjustments must apply to all financial aid programs from which the student is receiving an award and not be solely limited to the Postsecondary Child Care Grant program.

In the case of a dependent student, the parent(s) total income and household size must be used to calculate eligibility as they are used for other financial aid programs.

(2) Adjustment to Maximum Award Table for Infant Care

The amount shown on the maximum award table for a particular student’s income and household size may be increased by 10 percent to compensate for higher infant care costs charged to the student. The institution is granted permission by the Agency to make the adjustment if the institution requests this authority on its annual Institutional Request for Participation form (Appendix 1). The student must

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document that his/her child care provider charges a higher rate for infant care than is charged for children in other age classifications by having the provider complete the Request for Infant Care Adjustment form (Appendix 9). The term “infant” is defined by the provider up to a maximum age of 18 months.

Once the financial aid office receives the completed Request for Infant Care Adjustment form documenting that the student pays a higher cost for infant care, the amount shown on the maximum award table may be increased by 10 percent. The Postsecondary Child Care Grant award would then be calculated and would be the lesser of the adjusted maximum award, actual costs or financial need. While the student’s initial Postsecondary Child Care Grant might be calculated on an annual full-time basis, the award must be recalculated each term to reflect the student’s enrollment status or a change in infant status for the student’s child if the initial annual award was based on the amount on the maximum award table. (See example.)

Example:

The amount on the maximum award table for Mary Smith’s household size and total income level is \$2,600.

Mary Smith has an infant child and has documented higher infant care costs by completing the Request for Infant Care Adjustment form. The financial aid office may then increase the amount on the maximum annual award table by 10 percent, for a result of \$2,860. The adjusted amount of \$2,860 is then compared to actual costs (\$3,700 for this example) and financial need (\$5,000 for this example) and is chosen as the annual award amount because it is the lesser of the three.

Mary Smith is enrolled for 15 credits first semester and her child is classified as an infant by the provider at the onset of the semester, so her first semester award would be \$1,430. Mary then dropped to 12 credits for second semester and her child was no longer classified as an infant at the onset of that semester, so her award would then be \$1,040, which is derived by multiplying the maximum term award amount of \$1,300 (no 10 percent adjustment) by 80 percent (12/15).

If the child care provider is providing day care for only the student’s infant, the 10 percent adjustment to the amount on the maximum award table would not be made

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because there is no means of documenting the provider charges higher costs for infant care because the provider does not care for children in other age classifications. The student could appeal this decision to the financial aid administrator who could then make a 10 percent adjustment to the amount on the maximum award table if the provider's infant care rate is above the average market rate for infant care in the provider's county, as per provider cost data collected by the Department of Human Services. This provider cost table will be provided by the Agency to schools at the beginning of each aid year.

c. Financial Need Minus Other Financial Aid and Resources

The student's Postsecondary Child Care Grant cannot exceed the student's financial need (Title IV cost of attendance minus Expected Family Contribution minus other financial aid and resources) as defined for the federal Title IV campus-based programs. The school may add the student's actual child care costs (as defined in this section) to the cost of attendance. The school may also use professional judgment as described in the 'Common Definitions' chapter of this manual to adjust the cost of attendance or any of the data elements used in the Federal Methodology need analysis formula. Such adjustments must apply to all financial aid programs and not be solely limited to the Postsecondary Child Care Grant program. Additional packaging instructions can be found in the campus-based programs chapter of the *Federal Student Aid Handbook*.

4. Notification of Postsecondary Child Care Grant Award

Each institution must maintain a copy of each student's Postsecondary Child Care Grant award or denial letter. The school may substitute electronic records as long as they will be available to auditors.

The school must give each student receiving a Postsecondary Child Care Grant award written notification of the annual award amount which will also include the names and ages of the children. This award notice should be used by the student as proof of an award. If the

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provider wants information about the student's award, the student can make a copy of the award notification.

5. Waiting List/Retroactive Awards

If schools do not have adequate Postsecondary Child Care Grant funds to award all eligible students, students should be placed on a waiting list.

Schools should encourage eligible students to apply even if no funds are currently available for Postsecondary Child Care Grant awards. Such data from waiting lists will establish a data base for the Agency to use in formulating future appropriation requests.

If additional funds become available, a student may be awarded for the current and future terms of the academic year or may be awarded a Postsecondary Child Care Grant retroactive to the beginning of the current academic year. A student may receive a retroactive award even if the student was not on the waiting list or did not previously submit an application. In verifying applications for retroactive awards, the school may request documentation from the eligible child care provider to verify actual costs. (See also 'Late/Retroactive Disbursement' section in this chapter for further information.)

6. Award Adjustments/Overpayments

The amount of the student's Postsecondary Child Care Grant may change due to changes in or corrections to the student's household size, total income, actual child care costs, MFIP status, enrollment status or other factors affecting the award.

If the student or provider provide information to the school which would increase the student's Postsecondary Child Care Grant award after the initial award has been disbursed, the award should be increased only if funds are available. The new award calculation must be documented in the student's file.

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Changes may sometimes result in a reduction of the student's Postsecondary Child Care Grant award. If the revised award is less than what has been disbursed to the student for the term in question, the school must either collect the overpayment from the student or reduce the student's award for subsequent terms to compensate for the overpayment.

If the award reduction is based on the EFC, financial aid and resources exceeding the cost of attendance based on receipt of additional financial aid or resources after the award was disbursed, the federal Title IV campus-based overaward threshold applies. The overaward threshold is only intended for unintentional overawards.

Changes to the student's enrollment status may result in a revision of the student's Postsecondary Child Care Grant if the student's award was based on the maximum award chart. This is because the amount derived from the maximum award chart is based on the student's enrollment level. If a student withdraws from a course after attending classes, the school must return the lesser of the following to the Postsecondary Child Care Grant program:

1. the difference between the original and revised Child Care Grant, or
2. a proportion of any refund of institutional charges. (See 'Withdrawal or Reduced Enrollment Status' under the 'Refund Process' section of this chapter.)

If a student drops/withdraws credits without ever having attended the class(es), the award must be recalculated to the lesser of the student's actual child care costs or the award on the maximum award chart for the student's revised enrollment level. (See also 'Withdrawal or Reduced Enrollment Status' in this chapter.)

If a student adds credits after disbursement, the school should increase the student's Postsecondary Child Care Grant award if funds are available.

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7. Summer/Non-Standard Term Awards

As stated in the ‘Award Calculation’ section, a student may receive a Postsecondary Child Care Grant for a summer term. The award for the summer term is calculated in the same manner as the award for other terms.

In calculating a Postsecondary Child Care Grant for a summer term, schools must rely on the guidelines provided under ‘Awards for Summer/Non-Standard Terms’ section in the ‘State Grant’ chapter of this manual. That section will also provide guidelines for defining the term and determining the fiscal year from which the funds should originate.

A student could receive a Postsecondary Child Care Grant for the nine-month academic year and both a leading and trailing summer term provided both summer terms were crossover terms (started before and ended after July 1) and the total dollar amount awarded to the student for all terms did not exceed 150 percent (semester school) or 133 percent (quarter school) of the annual maximum award for the student’s income and household size.

If a term is shorter than 10 weeks (quarter) or 15 weeks (semester), it is considered a non-standard term. However, the award for the non-standard term is calculated in the same manner as the award for standard terms. Although the actual child care costs may be less for a shorter time period, the amount on the maximum award chart is not adjusted.

8. Prorating Awards When Eligibility Limited to Partial Term

If a student is receiving MFIP benefits for a portion of a term, the student may receive a prorated Postsecondary Child Care Grant for the portion of the term the student was not receiving MFIP benefits. This also applies to any other cases where the student eligibility is limited to a portion of the term (e.g., Basic Sliding Fee assistance covered full costs for a portion of the term). The award amount for the term would be the lesser of the following:

- the actual child care costs for the weeks during the term that the student is eligible; or
- the term award derived from the maximum award chart prorated by the number of weeks the student is eligible during the term divided by the number of weeks in the term.

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Example:

Mary Jones is enrolled for 12 credits during fall quarter 2008. Fall quarter is 10 weeks long. She was dropped from the MFIP program five weeks into the term. Therefore, she can receive a child care award for the remaining five weeks of the term.

Mary's actual child care costs must be determined for the five weeks she is not on MFIP. For this example, we will estimate her actual costs to be \$500 for five weeks for one child.

Mary's income is low enough to qualify for the maximum annual Postsecondary Child Care Grant of \$2,600. The maximum amount for one quarter would \$867, which is then reduced to \$694 (prorated by 80 percent) because Mary is only enrolled for 12 credits. Before comparing this amount to actual costs, it must first be prorated by 50 percent (five weeks without MFIP divided by 10 weeks in the term) for a result of \$347.

Mary would be awarded a \$347 Postsecondary Child Care Grant for the remaining five weeks of fall term.

E. Disbursement Process

1. Payment to Student or Provider

The school is allowed to disburse the Postsecondary Child Care Grant to the student or directly to the provider.

2. When Funds May Be Disbursed

A student's total Postsecondary Child Care Grant award is to be disbursed by academic term unless the school chooses to disburse more frequently. An institution may not make a payment to a student or provider for a payment period or period of enrollment, as applicable, until the student is enrolled (registered) for classes for that period.

The institution must return to the Postsecondary Child Care Grant program any funds paid to a student or to a provider for the student who, before the first day of classes:

- officially or unofficially withdraws,
- is expelled, or
- fails to attend any classes.

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The institution is liable for all Postsecondary Child Care Grant funds that are disbursed to an enrolled student or a provider prior to the start of class if that student fails to begin the enrollment period. The institution will have to reimburse program funds disbursed to an enrolled student prior to the start of class if the institution cannot document that the student did begin attending classes.

Documentation must exist regarding the date of disbursement of the Postsecondary Child Care Grant payment. The disbursement date is the date that the Agency requires the institution to determine the student's enrollment level prior to determining the amount of Postsecondary Child Care Grant funds to be disbursed to the student. State and/or the institution's independent public auditors will use the disbursement date to verify the enrollment level of program participants.

The disbursement date of all Postsecondary Child Care Grant funds disbursed to a student prior to the start of the enrollment period will be the first day of required class attendance.

The disbursement date of all Postsecondary Child Care Grant funds disbursed to a student after the start of the enrollment period will be:

- for grant funds paid to a student account, the date the funds are disbursed to the student's account or applied to tuition charges;
- for grant funds that are mailed to the student or transferred by EFT, the date of the check or EFT transaction, unless the institution elects to use the previous day as the disbursement date for all students paid using this method; or
- for grant funds that are disbursed directly to the student, the date the student picks up the check.

3. Method of Disbursement

Each school may disburse funds to students using one or a combination of the following methods. The institution may disburse Postsecondary Child Care Grant funds:

- by institutional check directly to the student or provider,

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- by an institutional check that is mailed to the student or provider,
- to the student's account, or
- to the student by Electronic Funds Transfer (EFT).

Whichever methods of disbursement are used, the school must document the date of disbursement and the amount of Postsecondary Child Care Grant funds disbursed to the student or provider. The Agency holds schools liable for improperly disbursed checks.

If the school disburses the Postsecondary Child Care Grant payment directly to the student or provider, the student or provider must be paid by check. When disbursing a check to the student or provider, the institutional representative should request proper identification (preferably a picture I.D.) and check the student's social security number. Once the check has been signed and cashed, the Agency will not refund or replace it.

The institution may exercise the option of mailing the checks to the student or provider. The institution must maintain a record that documents for each student included in each transaction, the:

- student's or provider's name,
- amount and types of charges paid by the transaction,
- source and amount of state and other financial aid funds included in the payment to the student,
- number of the institutional check, and
- the date that the check was mailed to the student or provider if different from the date of the check.

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost Postsecondary Child Care Grant funds.

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If the institution credits Postsecondary Child Care Grant funds to the student's account, the institution must document the:

- student's name,
- amount and type of charges paid by each transaction in the student's account, and
- source and amount of Postsecondary Child Care Grant and other financial aid funds disbursed to the student's account.

If the institution chooses to disburse Postsecondary Child Care Grant funds to the student by initiating an EFT to the bank account designated by the student, the institution must obtain authorization from the student to disburse by that method.

Each Postsecondary Child Care Grant award must be based on the student's enrollment level as of the date the funds are electronically transferred to the student. The following standards apply to EFTs:

- The date of the EFT transaction must be documented and this will be considered the date of disbursement, unless the institution elects to take the following option.
- At the institution's option, the date of disbursement may be one business day prior to the date of the EFT transaction.

For each EFT transaction, the institution must maintain a dated record that documents for each student included in the transaction, the:

- student's name,
- amount of charges paid by the transaction,
- source and amount of state and other financial aid funds included in the EFT,
- the amount of EFT,
- student's bank account number, and
- name of the bank into which the funds were deposited.

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost state financial aid funds.

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4. Late/Retroactive Disbursement

A school may make a late or retroactive Postsecondary Child Care Grant payment to a student or provider if the student did not withdraw from school or drop below six credits for the term in question before the school disburses the payment. A late payment occurs after the term has started and must be based on the student's enrollment status for that term as of the date of disbursement. Courses from which the student withdrew before disbursement shall not be counted as credits earned.

A retroactive payment can be processed for a term within the same fiscal year from which funds are drawn. A retroactive payment may be made even if the student is not currently enrolled in a subsequent term provided the student currently meets all of the other program eligibility requirements. A retroactive payment is made after the term has been completed and must be based on the student's enrollment status as of the end of that term.

A grade of F or its equivalent shall be counted as if credits were earned. In cases where a student earns an F for every class taken during a term and the Title IV federal financial aid guidelines require the school to verify the student actually attended classes, the results of the verification shall also apply to the Postsecondary Child Care Grant program. That is, if the school determines the student did not attend classes or unofficially withdrew during the term, the school must also calculate a refund or recalculate the award for the Postsecondary Child Care Grant program. Courses from which the student withdrew shall not be counted as credits earned.

5. Child Care Grant Awards Affected By Subsequent MFIP Payments

If a student receives a Postsecondary Child Care Grant for an academic term and then receives MFIP benefits during the same academic term, the school should take the following action:

- a. If the student was not on MFIP and, therefore, was an eligible recipient at the time of the award, it is not necessary for the school to bill the student for the return of the funds.

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Future disbursements should be withheld if the student remains on MFIP because the student is no longer eligible to receive Postsecondary Child Care Grant monies. Because a student may enter and leave MFIP throughout the year, the Agency suggests that schools have a recipient sign a statement at the beginning of each academic term that he/she is not receiving MFIP benefits and is aware that he/she cannot receive such payments while participating in the Postsecondary Child Care Grant program.

[Note: If the school discovers that the student is receiving MFIP and has not informed the school, refer to item e below.

If the student informed the school of the MFIP benefits within 10 days, the student will retain future eligibility and priority for the Postsecondary Child Care Award as soon as the student no longer receives MFIP benefits, assuming funds are available. (See item e below.)

- b. If the student continues enrollment in that school and is not receiving MFIP benefits at the time of the second disbursement of the Postsecondary Child Care Grant, the school may disburse the second disbursement. However, the school should warn the student that a second occurrence of receiving Postsecondary Child Care Grant and MFIP benefits within the same time period will cause the student to be returned to the school's waiting list. It is possible that the student may not receive future Postsecondary Child Care Grant monies, depending upon the length of the waiting list.
- c. If the student receives the Postsecondary Child Care Grant, drops out of school and begins to receive MFIP benefits, the Agency's policy for treatment of withdrawals applies. (See 'F. Refund Process, 1. Withdrawal or Reduced Enrollment Status' in this chapter.)
- d. The school should inform the county of the Postsecondary Child Care Grant amount so that the student's case worker will have the correct financial information for the student.

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(The Postsecondary Child Care Grant application has a “release of information” provision for the school, the Agency and the provider–see Appendix 2.)

- e. State rules governing the Postsecondary Child Care Grant program require a student to report any changes to data reported on the Postsecondary Child Care Grant application within 10 days of the change. (Child Care Grant program Rules 4830.7100, Subp. 5(I).)

If the student has not reported that he or she has started to receive MFIP benefits, the student is in violation of the rule and no longer eligible for the program. Since the student is no longer eligible for Postsecondary Child Care Grant funds, the school is not bound by the continuous nature of the Postsecondary Child Care Grant within that fiscal year. The school may require the student to lose priority for future Postsecondary Child Care Grant funding and reevaluate the student’s Postsecondary Child Care Grant application. The student will then be competing with the rest of the applicants on the waiting list according to the school’s priority ranking criteria.

If the student reported receipt of MFIP benefits within 10 days of the change, the school should not place the student back on the waiting list but should continue the student’s award if the student continues enrollment at the school and does not receive MFIP benefits in the future.

6. Adjusting Payments for Leave of Absence

Students who plan to leave school for a limited period of time **must** be granted a leave of absence (as defined in the ‘Common Definitions’ chapter of this manual) in order to continue receiving Postsecondary Child Care Grant monies upon returning to school. Postsecondary Child Care Grant monies **must not** be paid while the student is on a leave of absence.

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If a student does not return from an approved leave of absence, the student will be considered to have withdrawn on the last day of scheduled attendance and the applicable refund requirements apply.

If a student stops attending classes without receiving a leave of absence, the school may cancel the remainder of that student's Postsecondary Child Care Grant award and use the funds for another eligible student. (See 'Procedures for Denial, Termination or Appeal' in this chapter.) The school is not required to wait for an entire academic term or payment period to expire before awarding these funds to another student.

7. Student Account Balances

Unless otherwise authorized by the student, whenever an institution applies state financial aid funds to a student's account and determines that the amount of those funds exceeds or exceeded the amount of allowable charges the institution assessed the student, the institution must pay that balance directly to the student as soon as possible, but within 14 days of the later of:

- the date that balance occurs,
- the first day of classes of a payment period or period of enrollment, as applicable, or
- the date the student rescinds his or her authorization.

If a school receives authorization to hold excess funds, the school must identify the student or parent and the amount of funds the school holds for the student or parent in a subsidiary ledger account designated for that purpose. The school also must maintain, at all times, cash in its bank account at least equal to the amount the school holds for students.

Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by a school from a student or parent, the school must pay:

- any remaining balance on state loan funds by the end of the loan period, and

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- any other remaining balance on state financial aid program funds by the end of the last payment period in the award year for which they were awarded.

If a school cannot locate a student to whom a state financial aid credit balance must be paid, the school must return the credit balance to the appropriate program at the Agency. The Agency does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, the Agency encourages schools to return state financial aid fund balances to the SELF loan program first to reduce the likelihood of default.

The school is permitted to retain any interest earned on the student's credit balance funds.

8. Student Authorization

An institution must obtain from a student written authorization allowing the institution to disburse Child Care Grant funds by initiating an EFT, as provided for in these procedures, or to hold excess student funds in the student's institutional account.

In obtaining authorization for any of these activities, an institution may not require the student to provide that authorization and must allow the student to rescind that authorization at any time.

The authorization granted to an institution is valid for the award year or the period of enrollment in which the institution obtains that authorization. The initial authorization will continue to be valid provided that the institution notifies the student of the provisions regarding the student's current authorization prior to conducting any of the activities that require authorization for any subsequent award year. The institution's notice to the student must, in a plain and conspicuous manner, explain those provisions, including an explanation regarding any interest that the institution earns on the student's funds and whether the institution will provide that interest to the student. The notice must also provide the student with the opportunity to cancel or modify those provisions.

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F. Refund Process

1. Withdrawal or Reduced Enrollment Status

If a student totally withdraws from school without having attended classes, the entire Child Care Grant for the term must be refunded to the program. This also applies to cases where the student's withdrawal date is back-dated to the first day of the term. If a student withdraws from school after attending classes, the school should use the Agency's Refund Calculation Worksheet (Appendix 13 of 'State Grant' Chapter) to determine the amount of any refund due the Postsecondary Child Care Grant program. The school may also use the Agency's refund calculation spreadsheet posted on its web page.

If a student drops/withdraws from credits without having attended the class(es), the Child Care Grant award must be recalculated to the lesser of the student's actual child care costs for the term or the award amount on the maximum award chart for the student's revised enrollment level.

If a student withdraws credits after attending the class(es), the school must return the lesser of the following to the Postsecondary Child Care Grant program:

- a. the difference between the original and revised Child Care Grant; or
- b. a proportional amount of any refund of institutional charges (use the Refund Calculation Worksheet in Appendix 13 of 'State Grant' chapter to determine this amount).

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Example:

The student's actual child care costs for a semester are \$1,800. The student is taking 15 credits. The amount on the maximum award chart for the student's income and household size is \$2,200 per year, or \$1,100 per semester for full-time enrollment. The student's Child Care Grant is the lesser of the two, or \$1,100. The student then withdraws from a three-credit class.

If the student never attended the class, the student's award would be revised to \$880, which is the lesser of the student's actual child care costs (\$1,800) and the award from the maximum award chart prorated for 12 credits ($\$1,100 \times 12/15\text{ths} = \880). The difference between the \$1,100 and \$880 awards would be refunded to the program.

If the student withdrew after attending the class, the refund due the program would be the lesser of the difference between the original and revised award (in this case $\$1,100$ minus $\$880 = \220) or a proportional amount of any refund of institutional charges would be refunded to the program. If the school's refund of charges were \$150, and the student received a \$1,500 State Grant (57.7% of non-Title IV aid package) and a \$1,100 Child Care Grant (42.3%), 42.3% of the refund, or \$64, would be distributed to the Child Care Grant program. Because \$64 is less than the difference between the original and revised award, \$220, only \$64 would be refunded to the Child Care Grant program.

G. Procedures for Denial, Termination or Appeal

1. Denial/Termination Procedures

The school must terminate a student's Postsecondary Child Care Grant award if the student ceases to meet the program eligibility requirements. The institution must allow the student to meet with the financial aid administrator to discuss the termination and to provide documentation as to why the termination should not occur.

A school must perform the following procedures listed in items a to d when denying or terminating a Postsecondary Child Care Grant award, except in cases where the denial is due to lack of program funds.

- a. The school shall notify a student, in writing, of denial or termination of a Postsecondary Child Care Grant award. The notice must state the reason(s) the assistance is being denied or terminated. The notice shall inform the student of the right to contest the adverse action and procedure for doing so.
- b. Valid reasons for cancellation or denial of Postsecondary Child Care Grant funds include, but are not limited to: failure of the recipient to provide required information or

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documentation, failure to report status changes, misrepresentation of child care costs, failure to meet any of the program eligibility requirements, and extended absences without an approved leave of absence.

- c. Postsecondary Child Care Grant payments shall be terminated pending the results of the appeal process described in Section G2. If the appeal results in the continuation of Postsecondary Child Care Grant payments to the student, payments shall be made retroactively to the extent allocated funds are available.
- d. If the Postsecondary Child Care Grant award is made by vendor payment, the school shall inform the child care provider of the notice of termination pending the results of the appeal process.

2. Appeal Procedures

An applicant or recipient of a Postsecondary Child Care Grant award adversely affected by a school's action may file a written request for an appeal.

Students must follow the normal appeal process established by the school to handle complaints about financial aid program decisions. If the student is not satisfied with the result of the appeal, the student may ask the school to forward the results to the director of the Minnesota Office of Higher Education for review. The director shall review the decision and accompanying documentation and shall make a decision according to Minnesota Statutes, Section 136A.125, and agency rules 4830.7000 to 4830.7900. The student and school shall be advised in writing of the director's decision. The director's decision is final.

H. Allocation of Postsecondary Child Care Grant Funds

1. Initial Allocation

Child Care Grant funds appropriated to the Agency by the state legislature are allocated to each participating postsecondary institution based upon the lesser of the institution's request or the result of the following formula:

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| Initial Allocation | | | |
|--|---|--|--------------------------------|
| <u>The Institution's Share</u> | | Postsecondary Child Care Grant | |
| Sum of Participating Institutions' Shares | X | Legislative Appropriation for Fiscal Year | X |
| | | | Prior Year Utilization Rate |

“Institution’s share” is the number of students enrolled at the institution during the prior academic year who reported children on the Free Application for Federal Student Aid (FAFSA).

The Agency distributes 50 percent of the school’s initial allocation in August and the remaining 50 percent in December. Schools with a leading summer term may contact the Agency to receive their August installment in July. In November, schools will be able to adjust their scheduled December disbursement amount. If the scheduled December disbursement exceeds the school’s need for funds, they can reduce the scheduled December disbursement. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools that need additional funding.

2. Utilization Rate

An institution’s utilization rate is derived by dividing the institution’s total expenditures by the total funds available. Total expenditures and funds available are calculated as follows:

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| | |
|--|---|
| Utilization Rate | |
| Total Student Postsecondary Child Care Grant Awards for Current Fiscal Year | |
| + | <u>Administrative Expense Allowance for Current Fiscal Year</u> |
| = | Total Expenditures |
| Current Year Initial Allocation (funds disbursed in August, September and December) | |
| + | Current Year Reallocated Funds |
| + | Funds Carried Forward from Previous Fiscal Year |
| + | Funds Carried Back from Next Fiscal Year* |
| - | Funds Carried Forward to Next Fiscal Year |
| - | Funds Carried Back to Previous Fiscal Year* |
| - | <u>Current Year Refunds Returned to the Agency Before March 1</u> |
| | Total Funds Available |
| *In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section. | |
| | <u>Total Expenditures</u> = Utilization Rate |
| | Total Funds Available |

3. Carry Forward, Carry Back

An institution is allowed to carry forward to the next fiscal year or carry back to the previous fiscal year up to 10 percent of the current year's initial allocation (i.e., August, September and December allocation disbursements). Schools may NOT carry back funds from the first year of the biennium to the last year of the previous biennium but can always carry forward funds across bienniums. Schools may always carry forward and back between the two fiscal years within a biennium. Funds carried forward or back to another fiscal year will not adversely impact the current fiscal year's utilization rate. However, they will be considered funds available in the other fiscal year and impact the utilization rate for that year.

4. Reallocation Process

The institution may request additional funds if the initial allocation does not cover its anticipated need for the current fiscal year. In November, schools will be able to adjust their scheduled December disbursement amount if it exceeds their need for funds. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools who need additional funding. Additionally, reallocation/refund notifications are emailed to schools in January, March, May and June each fiscal year.

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An institution's reallocation amount is calculated as follows:

| | | |
|---|---|--|
| Reallocation Formula | | |
| The Institution's Share | X | Amount of Postsecondary Child Care Grant Funds Available |
| Sum of Shares of Institutions Requesting Additional Funds | | |

The minimum reallocation amount that the Agency will send to institutions is \$100. If the calculated reallocation amount is less than \$100, the school will not receive a reallocation. The monies will be redistributed among schools with a calculated reallocation amount of \$100 or more.

I. Management of Funds

1. Accountability for Funds

Each participating school is accountable for all Postsecondary Child Care Grant funds disbursed to students or providers. Funds may be used only during the fiscal year of allocation with the exception of any amount carried forward or back from a contiguous fiscal year. The school must implement procedures and controls to ensure proper accountability. The school may subcontract for the administration of the program, but this does not relieve the school's responsibility for proper administration.

When Postsecondary Child Care Grant funds are received from the Agency, the school may either deposit the funds in a separate account or combine the funds with other institutional funds. **A separate account is preferable.** If combined with other institutional funds, a fund source number must be traceable to all activity within the account.

A manual or computerized record of Postsecondary Child Care Grant recipients and corresponding check and account numbers must be maintained in order to track disbursements back through the activity account to the internal requisition form. If disbursed directly, all checks should be signed by more than one responsible party at the institution other than the person who initiates payment transmittal.

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Each school must institute control procedures, such as the establishment of new account numbers at the beginning of a new fiscal year, to ensure that funds from one fiscal year are not carried over to the next fiscal year and that a deficit is not covered by funds from a following fiscal year, with the exception of the allowable 10 percent carry forward/back from a contiguous fiscal year. (See ‘Carry Forward, Carry Back’ section of this chapter.)

2. Administrative Expense Allowance

Schools may use a portion of their Postsecondary Child Care Grant allocation/reallocation(s) funds to offset the expense of administering the program. The administrative expense allowance is currently five percent of the total funds expended for Postsecondary Child Care Grant awards at that school within a given fiscal year. It is recommended that schools set aside an estimated administrative expense allowance based on last year’s expenditures so that the entire allocation for the current fiscal year is not disbursed to students.

For state audit purposes, institutions must be able to verify that administrative allowance monies were used for the administration of the Postsecondary Child Care Grant program.

3. Excess Funds

Excess funds are those funds that will not be expended on student awards, the administrative expense allowance, or carried forward/back to a contiguous fiscal year.

The business office must keep the financial aid office regularly informed (monthly or bi-monthly reports are recommended) of the balance in the account so the financial aid administrator can determine whether Postsecondary Child Care Grant spending is expected to exceed or fall short of the amount of funds allocated to the institution. The Agency will periodically request information regarding the use of funds during the fiscal year. Excess funds should be returned to the Agency within 30 days of the refund/reallocation request. Returned funds will be used to reallocate funds to other eligible institutions. Any excess funds returned to the Agency after March 1 will have an adverse impact on the institution’s utilization rate. (See ‘Utilization Rate’ section in this chapter.)

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At the end of the fiscal year, excess funds must be returned to the Agency no later than July 30.

4. State Reports and Data Collection

Schools participating in the Postsecondary Child Care Grant program must correctly complete and submit the following forms and reports by the applicable deadline dates:

- Institutional Request for Participation,
- Reallocation/Refund Request, and
- End of Year Report and Supplements.

Each school must maintain accurate and current records for every participating student. In order to evaluate the effectiveness of the program in meeting the financial needs of Postsecondary Child Care Grant recipients, the school must collect demographic, educational and financial data specified by the Agency from eligible students requesting Postsecondary Child Care Grant funds.

Upon request, the school must also report information about students who received awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available.

End of Year Reports and applicable supplements are to be completed correctly and submitted to the Agency no later than the first working day after August 9. An institution's allocation for the next aid year shall be withheld if the deadline date is not met or if the report is incomplete or incorrectly completed and must be returned to the school for correction and re-submission to the Agency.

J. State Audit Requirements

1. Records Available for Auditors

State auditors will periodically visit each participating school to perform an audit.

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The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See ‘Audits’ under ‘Common Definitions’ chapter for further information.)

Each participating school must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar’s Office, but that choice is made by the school.

Each institution must maintain and make available to auditors individual student financial aid files for Postsecondary Child Care Grant recipients and a Postsecondary Child Care Grant fiscal year file.

Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

2. Student Program Eligibility Documentation

The school must have written documentation that verifies the student meets all of the requirements listed under the ‘Student Eligibility’ section of this chapter.

3. Program Documentation

The school must have written documentation to show:

- an auditable trail from the application, through the account, to the disbursement of Postsecondary Child Care Grant funds to the student or child care provider;
- the calculation of applicable refund amounts for students who withdraw or reduce enrollment status;
- that funds were used in the fiscal year in which they were allocated, with the exception of carry forward/back from a contiguous fiscal year;
- each student’s award calculation, including supporting income documentation and any recalculations;

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- copy of the Postsecondary Child Care Grant Program End of Year Report and applicable supplements (in either paper or electronic version); and
- definition of “satisfactory academic progress” based on federal aid program regulations and Minnesota Statutes 136A.101, Subd. 10.

4. Filing and Date Stamping Requirements

All student applications must be dated with the date of receipt in the financial aid office.

Each institution must maintain a copy of each student’s Postsecondary Child Care Grant application in the student’s financial aid file. Each institution must also maintain a copy of each student’s Postsecondary Child Care Grant denial or award letter in the student’s financial aid file. An institution may maintain electronic records instead of paper copies if such records will be available to auditors.

All financial changes reported to the school must be dated with the date of receipt by the financial aid office. All documents relating to a student’s Postsecondary Child Care Grant award, whether produced or received by the financial aid office, must be dated with the date the document is produced and/or received.

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**Minnesota
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125A.02 CHILD WITH A DISABILITY DEFINED.

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical disability, other health impairment, mental disability, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

Subd. 2. **Not a child with a disability.** A child with a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, is not a child with a disability.

History: Ex1959 c 71 art 1 s 3; 1969 c 981 s 1; 1975 c 432 s 7; 1981 c 358 art 3 s 1; 1Sp1985 c 12 art 3 s 1; 1987 c 398 art 3 s 1; 1991 c 265 art 3 s 38; 1998 c 397 art 2 s 164; 1998 c 398 art 2 s 1; art 5 s 55; 2005 c 56 s 1; 2006 c 263 art 2 s 18

136A.125 CHILD CARE GRANTS.

Subdivision 1. **Establishment.** A child care grant program is established under the supervision of the Minnesota Office of Higher Education. The program makes money available to eligible students to reduce the costs of child care while attending an eligible postsecondary institution. The office shall develop policies and adopt rules as necessary to implement and administer the program.

Subd. 2. **Eligible students.**

- (a) An applicant is eligible for a child care grant if the applicant:
- (1) is a resident of the state of Minnesota;
 - (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
 - (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

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- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Subd. 3. **Eligible institution.** A Minnesota public postsecondary institution, a Minnesota private, baccalaureate degree granting college or university, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to receive child care funds from the office and disburse them to eligible students. [Note: Institutions must also meet the definition of eligible institution under Minnesota Statutes 136A.101, Subd. 4.]

Subd. 4. **Amount and length of grants.** The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse;
- (2) the number in the applicant's family, as defined by the office; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$2,600 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

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Subd. 4a. **Rates charged.** Child care providers may not charge students receiving grants under this section a rate that is higher than the rate charged to private paying clients.

Subd. 4b. **Additional grants.** An additional child care grant may be awarded to an applicant attending classes outside of the regular academic year who meets the requirements in subdivisions 2 and 4.

Subd. 4c. **Unexpended balance.** Any unexpended appropriation in the child care grant program in the first year of a biennium shall be used to augment the maximum award in subdivision 4 in the second year of the biennium.

Subd. 5. [Repealed, 1995 c 212 art 3 s 60]

Subd. 6. **Yearly allocations to institutions.** The office shall base yearly allocations on the need for funds using relevant factors as determined by the office in consultation with the institutions. Up to five percent of the money spent on students' child care awards, as determined by the office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

Subd. 7. **Monitoring and reallocation.** The office shall establish procedures to

- (1) continually monitor the use of funds throughout the year;
- (2) identify areas of unmet need for grants; and
- (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. **Information.** The office shall develop and provide information about the program to eligible postsecondary institutions, human service agencies, and potential applicants.

Subd. 9. **Report.** Institutions must submit reports, when requested by the office, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports must also include the institution's method of prioritizing applicants if insufficient funds are available.

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History: 1989 c 293 s 28; 1991 c 356 art 8 s 9-13; 1994 c 532 art 2 s 6-9; 1994 c 647 art 8 s 26; 1995 c 212 art 3 s 27,28,59; 1997 c 85 art 4 s 4; 1997 c 183 art 2 s 6; 1998 c 397 art 11 s 3; 1999 c 159 s 25; 1999 c 214 art 2 s 7; 2000 c 489 art 11 s 4; 1Sp2001 c 1 art 2 s 13,14; 2003 c 133 art 2 s 14,15; 2005 c 56 s 1; 2005 c 107 art 2 s 23,24,60

NOTE: The additional semester or the equivalent of grant eligibility under subdivision 2, as amended by Laws 2005, chapter 107, article 2, section 23, applies to any student who withdrew from enrollment in a postsecondary institution after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c. Laws 2005, chapter 107, article 2, section 59.



**Office of
Higher
Education
Rules
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4830.7000 SCOPE.

Parts 4830.7000 to 4830.7900 govern state assistance to institutions to reduce the cost of child care for eligible students attending eligible postsecondary institutions.

Stat Auth: MS s 136A.04; 136A.125

Hist: 14 SR 2789

4830.7100 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply for the purposes of parts 4830.7000 to 4830.7900.

Subp. 2. **Continuing enrollment.** “Continuing enrollment” means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status.

Subp. 2a. **Eligible child.** “Eligible child” means a child who is 12 years of age or younger, or 14 years of age or younger who is disabled as defined in Minnesota Statutes, section 125A.02, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 119B.011, subdivisions 5 and 19.

Subp. 3. [Repealed, 19 SR 1636]

Subp. 4. [Repealed, 19 SR 1636]

Subp. 5. **Eligible student.** “Eligible student” means a student who:

- A. has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in Minnesota Statutes, section 125A.02, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 119B.011, subdivisions 5 and 19, after the grant is received;
- B. is a resident of Minnesota as defined in part 4830.0100, subpart 10;
- C. is not receiving tuition reciprocity;
- D. is not a recipient of the Minnesota family investment program (MFIP);

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- E. has not earned a baccalaureate degree or has not been enrolled full time in any postsecondary institution more than eight semesters, 12 quarters, or the equivalent;
- F. is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- G. is enrolled at least half time in an eligible institution for the term for which an award is received;
- H. is in good academic standing and making satisfactory academic progress, as defined by the institution according to federal requirements;
- I. reports any changes to data reported on the child care application within ten days of the change; and
- J. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan with the holder of the note.

Subp. 5a. **Family income and family size.** “Family income and family size” means the income and family size used to determine an award from the state grant program under parts 4830.0200 to 4830.0700.

Subp. 6. **Nonsectarian program.** “Nonsectarian program” means a program of study that is not specifically designed to prepare students to become ministers of religion, to enter some other religious vocation, or to prepare them to teach theological subjects. A nonsectarian program may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study, but must not require its students to take courses that are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs.

Subp. 7. **Institution's share.** “Institution's share” means the number of students in an eligible institution who have applied for the state grant program under parts 4830.0200 to 4830.0700 for the most recent academic year available and who have reported dependent children.

Stat Auth: MS s [14.388](#); [136A.01](#); [136A.04](#); [136A.125](#)

Hist: 14 SR 2789; 19 SR 1636; 22 SR 1295; L 2001 1Sp9 art 10 s 66; 28 SR 889; L 2006 c 212 art 1 s 25

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4830.7200 ELIGIBLE INSTITUTIONS.

Institutions eligible for child care grants are Minnesota public postsecondary institutions and Minnesota private baccalaureate degree granting colleges or universities or Minnesota nonprofit two-year vocational technical schools granting associate degrees that have signed a child care grant program agreement with the office.

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 28 SR 889

4830.7300 STUDENT PRIORITY.

A student who has received a grant from the program in the immediately preceding academic year and who has had continuing enrollment at that institution since the time that the child care grant was given must be given a child care grant for the next academic year if the student remains eligible and funds are available. A student shall apply for a continuation of funds by the deadline date established by the school or lose priority ranking for the funds over students who did not apply for a continuation of funds by the established deadline and eligible students applying for a child care grant for the first time.

Stat Auth: MS s 14.388; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; 28 SR 889

4830.7400 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Initial allocation formula.** Funds shall be allocated to each eligible institution according to the following formula:

- A. the institution's share divided by the sum of participating institutions' shares; and
- B. multiplied by the current fiscal year's appropriation for child care grants.

Subp. 2. **Yearly allocation to institutions.** Funds shall be allocated to each eligible institution according to the following formula:

- A. the institution's share divided by the sum of participating institutions' shares;
- B. multiplied by the current fiscal year's appropriation for child care grants;
- C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

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Subp. 3. **Reallocation.** The office shall reallocate available funds at least twice during the academic year to institutions requesting additional child care grant funds according to the following formula:

- A. the institution's share divided by the sum of the shares of institutions requesting additional funds; and
- B. multiplied by the amount of child care grant funds available for reallocation.

Subp. 4. **Administrative expense.** By July 1 of each year, the office shall set the percentage of awarded child care grant funds that may be used for administration of the child care grant program by the office and the institution. The percent of funds taken for the administration of the child care grant program shall be based on the net amount spent on child care grant awards for that fiscal year.

Subp. 5. **Notification.** The office shall notify each participating institution in writing of allocation and reallocation amounts.

Subp. 6. **Accountability.** Each participating institution shall be accountable for any funds disbursed to students for child care grants. Funds may be used only during the fiscal year of disbursement. If a student does not use a grant because the student does not enroll or withdraws from the institution, the institution may use the funds for other eligible students or return them to the office.

Subp. 7. **Unused funds.** An institution shall return funds that the institution determines will not be used within 30 days from the date of a request by the office. The office shall reallocate unused funds to other participating institutions requesting additional funds.

Subp. 8. [Repealed, 19 SR 1636]

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.125; 136A.16; 136A.234

Hist: 14 SR 2789; 15 SR 1925; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 28 SR 889

4830.7500 AMOUNT AND TERM OF GRANTS.

Subpart 1. [Repealed, 19 SR 1636]

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Subp. 2. **Amount.** The amount of a grant must be based on:

- A. the cost of child care for each child 12 years old or younger, or 14 years old or younger if the child is handicapped as defined in Minnesota Statutes, section 120.03;
- B. the provider's charge up to a maximum rate established each year by the office;
- C. the student's enrollment status; and
- D. the award chart prepared by the office.

The institution shall estimate the amount of child care needed for the academic year and summer terms, and may add an amount up to that estimated cost to the institution's normal student budget used to calculate the student's financial need. The child care grant and other forms of financial aid may be used to pay for the child care if the expense is not covered by other funds.

Subp. 2a. **Academic year grant.** Beginning with the 2001-2002 academic year, the maximum grant per eligible child for the academic year is the amount specified in Minnesota Statutes, section 136A.125, subdivision 4, minus a student expectation based on family income.

The formula used to calculate the child care grant is as follows: the statutory maximum child care grant amount minus ((family income minus 130 percent of the federal poverty level for the student's family size) multiplied by ten percent) equals the child care grant. If the formulaic result is less than zero, the grant is set to zero. If the formulaic result is greater than the maximum statutory grant, the grant amount is the statutory maximum grant.

Subp. 2b. **Award disbursements.** The academic year award amount must be disbursed by academic term using the following formula:

- A. the academic year amount described in subpart 2a;
- B. divided by the number of terms in the academic year;
- C. divided by 15; and
- D. multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits.

Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

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Subp. 2c. **Summer term grant.** Students attending summer school may receive an additional grant per eligible child up to one-third of the academic year grant described in subpart 2a for quarter-based schools and up to one-half the academic year grant described in subpart 2a for semester-based schools.

Subp. 3. [Repealed, 19 SR 1636]

Subp. 3a. **Annual grant amount.** The annual maximum grant per eligible child must not exceed the calculated amount in subpart 2a plus the amount in subpart 2c, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 22 SR 1295; 26 SR 700; 28 SR 889

4830.7600 [Repealed, 19 SR 1636]

4830.7700 [Repealed, 19 SR 1636]

4830.7710 PROCEDURES FOR DENIAL OR TERMINATION OF A CHILD CARE GRANT.

Subpart 1. **Applicability.** Students meeting the eligibility requirements in part 4830.7100, subpart 5, but denied a child care grant due to an institution's lack of program funds, shall be placed at the student's request on the institution's waiting list pending the availability of program funds. Subpart 2 and part 4830.7720 are not applicable to students who are denied child care grants due to lack of program funds.

Subp. 2. **Termination.** When terminating a student's child care grant, a school must follow its normal procedures used to terminate other financial aid awarded. If the child care grant is made by vendor payment, the school shall inform the child care provider of the notice of termination.

Stat Auth: MS s 14.388; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; 28 SR 889

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4830.7720 APPEAL PROCESS.

Subpart 1. **Appeal request.** An applicant or recipient of a child care grant adversely affected by a school's action may file a written request for an appeal with the school.

Subp. 2. [Repealed, 19 SR 1636]

Subp. 3. **Appeal process.** Students must follow the normal appeal process established by the school to handle complaints about financial aid program decisions. If the student is not satisfied with the result of the appeal, the student may ask the school to forward the results to the director of the Minnesota Office of Higher Education for review. The director shall review the decision and accompanying documentation, and shall make a decision according to Minnesota Statutes, section 136A.125, and parts 4830.7000 to 4830.7900. The student and school shall be advised in writing of the director's decision. The director's decision is final.

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 28 SR 889; L 2005 c 107 art 2 s 60

4830.7800 REFUNDS.

If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the grant to the child care grant program. If the director determines that a school has fraudulently handled grant money, the refund of the unused portion of the grant is immediately due to the office, and the office may institute a civil action for recovery if necessary. Refunds to the child care grant program are determined as follows:

- A. calculate the percentage that the child care grant represents of the student's total financial aid package for the applicable term; excluding funds received from federal Title IV programs, United States Code, title 20, chapter 28, sections 1070 to 1099c-1;
- B. calculate the total tuition refund amount using the refund calculation required of schools participating in federal Title IV programs, United States Code, title 20, chapter 28, sections 1070 to 1099C-1;
- C. subtract the federal aid programs' refund amount from item B to determine the remaining tuition refund amount; and

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D. multiply the percentage in item A by the amount calculated in item C to determine the amount to be refunded to the child care grant program.

Refunded money to the child care grant program is available for grants to eligible students.

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 22 SR 1295; 28 SR 889

4830.7900 REPORTS OF DATA.

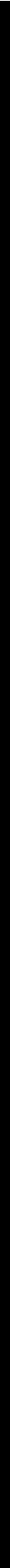
Institutions must:

- A. collect demographic, educational, and financial data specified by the office from eligible students requesting child care grants;
- B. provide the office with individual student data upon request;
- C. upon the request of the office, report information about students who receive awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available; and
- D. submit fiscal year program activity reports and student data reports to the office.

Fiscal year program activity reports and student data reports are required by the office. Institutions shall correctly complete and submit all required reports and any applicable refunds to the office by the first working day after August 9. The office shall withhold an institution's subsequent year's allocation if the deadline date is not met.

Stat Auth: MS s 136A.01; 136A.04; 136A.125

Hist: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284



**Appendices:
Postsecondary
Child
Care
Grant
Program**

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Appendices: Postsecondary Child Care Grant Program

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2008-2009 Postsecondary Child Care Grant Program Institutional Request for Participation

Select your Institution

- We would like to participate** in the Minnesota Postsecondary Child Care Grant program during the 2008-2009 academic year.
This Institution agrees to abide by the applicable laws, rules and policies governing this program.
- We do not wish to participate** in the Minnesota Postsecondary Child Care Grant Program during the 2008-2009 academic year.

Optional: Please indicate why you *do not* wish to participate:

\$ **Estimate** of 2008-2009 Postsecondary Child Care funds needed. If your institution has consolidated with another institution be sure to include funds needed for all campuses.

I hereby request permission to increase the maximum Postsecondary Child Care Grants by 10 percent to compensate for higher market charges for infant care, and agree to follow applicable guidelines issued by the Office of Higher Education for this purpose.

- yes
- no

Name of Institutional Representative:

Institution Address:

Telephone Number:

Email Address:

Other staff who should receive correspondence from the Office of Higher Education pertaining to the Postsecondary Child Care Grant Program:

| Names: | Telephone Numbers: | Email Addresses: |
|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |



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2008-2009 Postsecondary Child Care Grant Program Application Instructions

IMPORTANT: Read instructions before completing application. Incomplete applications will not be processed.

Step 1 - Student completes Section A and gives form to child care provider.

Step 2 - Child care provider completes Section B and returns form to student.

Step 3 - Student submits application to financial aid office at college student attends.

Step 4 - Financial aid administrator determines student award amount and notified student of award.

The maximum full-time Postsecondary Child Care Grant award for a full-time student (15 credits per term) is \$2,600 for each eligible child per academic year. The institution may increase the amount shown on the maximum award chart by ten percent to compensate for higher infant care rates charged by some providers. Annual awards will be divided evenly into term installments and disbursed to recipients each quarter or semester, depending upon the type of school the student attends. The amount of the full-time term award will be decreased for students taking 6–14 credits. The school may choose to make payments more frequently or to pay the provider directly. Office of Higher Education staff or the college financial aid administrator will contact child care providers to verify the information provided on the application.

STUDENT ELIGIBILITY

In order to be eligible, a recipient must:

1. be a Minnesota resident (see definition below);
2. be a U.S. citizen or eligible non-citizen (see definition below);
3. not be receiving benefits from the Minnesota Family Investment Program (MFIP);
4. must be income eligible (your college financial aid office has a chart showing qualifying income guidelines);
5. be pursuing a non-sectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
6. have a child 12 years of age or younger, or 14 years of age or younger if handicapped, needing child care service on a regular basis;
7. be enrolled at least half-time, taking at least six credits per quarter, semester, or the equivalent;
8. be in good standing and making satisfactory academic progress;
9. not be receiving tuition reciprocity;
10. not be in default on a student loan or, if in default, have made satisfactory arrangements to repay the loan with the holder of the note;
11. not have earned a baccalaureate degree; and
12. not have attended the equivalent of more than eight full-time semesters or twelve full-time quarters of postsecondary education. If you withdrew from college during a term because you were called up for active military service after December 31, 2002, please provide the necessary documentation to your college financial aid administrator.

APPLICATION QUESTIONS

Question #10 on application – Minnesota resident is:

1. a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 consecutive months without being enrolled at a postsecondary institution for more than five credits in any term; or
2. a dependent student whose parent or legal guardian resided in Minnesota at the time the 2008-2009 FAFSA was completed; or
3. a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or
4. a student who, after residing in the State of Minnesota for a minimum of one year, earned a high school equivalency certificate in Minnesota; or
5. an independent student who was granted residency as a dependent and has not since left the State of Minnesota; or
6. a student who is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c; or
7. a student (or spouse of) who relocated to Minnesota from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education; or
8. a student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

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2008-2009 Postsecondary Child Care Grant Program Application Instructions

Question #11 on application – Eligible non-citizen is:

1. a U.S. permanent resident holding the Alien Registration Receipt Card (I-551) or a conditional permanent resident holding a (I-551C) card; or
2. a permanent resident of the Trust Territory of the Pacific Islands or of the Northern Mariana Islands; or
3. other eligible non-citizens with Departure Record (I-94) from the Department of Homeland Security showing any of the following designations: “Refugee,” “Asylum Granted,” “Indefinite Parole,” and/or “Humanitarian Parole,” or “Cuban-Haitian Entrant.”

Question #14 on application – Total Family Income is:

- Total Taxable Income from 2008-2009 FAFSA (adjusted gross income if tax filer, or total wages if non-filer)
- + Total Untaxed Income from 2008-2009 FAFSA Worksheet A
 - + Total Untaxed Income from 2008-2009 FAFSA Worksheet B
 - Income Exclusions from 2008-2009 FAFSA Worksheet C
 - = Total Family Income

Question #15 on application – Number of persons in family is: The number of persons in the household reported on the 2008-2009 FAFSA.

Question #17 on application – Handicapped child is: Any child who has a hearing impairment, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the Commissioner, is a child with a disability. In addition, a child under age three, and at local district discretion from age three to seven, who needs special instruction and services, as determined by the standards of the Commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

Question #18 on application – Other sources of child care funding: Answer “yes” if you are receiving child care funding from another source. Examples are: the child’s other parent is receiving the Postsecondary Child Care Grant, your employer is helping to pay your child care costs, you receive Basic Sliding Fee child care assistance from the county, your ex-spouse is required to cover a portion of child care costs per a divorce decree, etc.

NOTICE TO APPLICANTS

Section 7(b) of the Federal Privacy Act of 1974 (5 U.S.C. 552a) requires that when any federal, state, or local government agency asks you to disclose your Social Security Account Number, you must be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it. Accordingly, you are being advised that disclosure of your Social Security number is voluntary.

The Social Security number will be used to verify your identity, and as an identifier of your file in order to record necessary data accurately. As an identifier, the Social Security number is used in the Postsecondary Child Care Grant Program for such purposes as processing the application form, program evaluation, and reporting and notification of program eligibility and award amount to your postsecondary institution.

Pursuant to Minnesota Statutes, Sec. 13.04, subd. 2 (2004), you are hereby informed that the information supplied in this application may be used as follows: (1) in the processing and verification of the data supplied to determine your eligibility for this program; (2) for compilation and analysis of summary data relative to this program; and (3) for dissemination of information to the school. You are not required to provide the information supplied in this application. However, failure to submit requested data may prevent further processing of this application. The information supplied in this application may be shared with other public and private individuals and entities in order to use the information for the purposes specified above.

The Office of Higher Education does not discriminate on the basis of disability in the admission or access to, or treatment or employment, in its programs or activities. This document can be made available in an alternative format to individuals by calling (651) 642-0567.

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2008-2009 Postsecondary Child Care Grant Program Application

IMPORTANT: Read instructions before completing application. Incomplete applications will not be processed.

Step 1 - Student completes Section A and gives form to child care provider.

Step 2 - Child care provider completes Section B and returns form to student.

Step 3 - Student submits application to financial aid office at college student attends.

Step 4 - Financial aid administrator completes Section C and notifies student of award.

SECTION A - Completed by Student (Please use ink or type)

| | | | |
|--|--|--|-------------|
| 1. Name (Last, First, Middle) | | | |
| 2. Social Security Number | 3. Date of Birth (month/day/year) | 4. County of Residence | |
| 5. Permanent Home Address | | 6. Telephone Number (include area code) | |
| 7. City, State, Zip Code | | 8. Student's Email Address | |
| 9. Name of postsecondary institution(s) you are attending | | 10. Are you a Minnesota resident? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 11. Citizenship (check one) <input type="checkbox"/> U.S. citizen <input type="checkbox"/> eligible non-citizen (see instructions) <input type="checkbox"/> neither of the above | | 12. Are you and/or any of your dependents currently receiving MFIP benefits? (check one) <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, list names of all MFIP recipients and attach documentation from county social services office) | |
| 13. Are you (check one) <input type="checkbox"/> married <input type="checkbox"/> not married (divorced, single, widowed) <input type="checkbox"/> separated | | 14. What is your total family Income? (see instructions) \$ | |
| 15. Number of persons in family (see instructions) | 16. Number of children 12 years of age or younger receiving child care | 17. Number of handicapped children 14 years of age or younger receiving child care (see instructions) | |
| 18. Are you or the other parent receiving child care assistance from some other source? (see instructions) <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, please identify source and attach documentation of assistance you are receiving) | | | |
| 19. Indicate the number of credits for which you intend to register: | | | |
| _____ | _____ | _____ | _____ |
| Fall Term | Winter Term | Spring Term | Summer Term |

STUDENT CERTIFICATION Please check the box next to each statement indicating that you understand the statement.

- I understand and accept the obligation to provide a written report to the school of any changes in information provided on this application within 10 days of the change. Changes may include, but are not limited to, my enrollment, family size, family income, receipt of MFIP or Basic Sliding Fee benefits, hours of child care, changes in provider, or provider rates, etc.
- I understand that the Postsecondary Child Care Grant must be used to pay my child care provider and that the award is subject to repayment and/or cancellation if used for other purposes.
- I give permission to the school and the Office of Higher Education to contact my child care provider(s) to verify the information provided on this application and to report my child care award to my county social service agency if I receive MFIP benefits or Basic Sliding Fee child care assistance during this academic school year.
- I give permission to the county social service agency to release to the school or the Office of Higher Education the amount and terms of any MFIP or Basic Sliding Fee child care benefits I receive from July 1, 2008 to September 30, 2009. I also give my provider permission to verify the information in the Provider's Section, when contacted by the school or Office of Higher Education staff.
- I declare that the other parent or legal guardian of my child/children is not capable or available to care for my child/children during the hours for which I have requested an award from the Postsecondary Child Care Grant Program.
- I certify that the information on this application is true and correct and I promise to provide additional documentation if requested. I understand that this form is used to establish eligibility for the Postsecondary Child Care Grant Program and that if I purposely give false or misleading information on this form, I may be subject to a fine, a prison sentence, or both; and such action may result in the forfeiture or repayment of future awards from this program.
- I understand that, if I withdraw from school after receiving a Postsecondary Child Care Grant, all or a portion of the grant will need to be repaid to my college.

Student's Signature

Date (month/day/year)

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Please complete ENTIRE section.

SECTION B – Completed by Child Care Provider (Please use ink or type)

| Child's Name | Child's Age | Child's Date of Birth | Total Hours Child Care Provided Per Week | Hourly Rate | Weekly Rate | Child Care Assistance From Other Sources * | Date Day Care Started |
|--------------|-------------|-----------------------|--|-------------|-------------|--|-----------------------|
| | | | | \$ | \$ | \$ Source: | |
| | | | | \$ | \$ | \$ Source: | |
| | | | | \$ | \$ | \$ Source: | |
| | | | | \$ | \$ | \$ Source: | |

*Please list child care assistance paid to provider from other sources such as MFIP, Basic Sliding Fee, or other assistance programs.

| | |
|-------------------------------------|----------------------------------|
| Child Care Center / Provider's Name | Relationship to Student (if any) |
|-------------------------------------|----------------------------------|

| | | |
|---------------------------|------------------------------------|----------------------------------|
| Provider's Street Address | City, State, Zip Code for provider | County in which provider located |
|---------------------------|------------------------------------|----------------------------------|

| | |
|-------------------------|--------------------------|
| Provider's Phone Number | Provider's Email Address |
|-------------------------|--------------------------|

- Check all that apply:
- I am a licensed home child care provider. License number: _____
 - I represent a licensed child care center. License number: _____
 - I am a relative of the student.
 - I am at least 18 years of age and legally exempt from home day care licensure. Under the exempt status I will care only for my own children and/or the children of the student listed on this application.
 - I represent a latch-key program which has a contract with a school district to provide child care for school age children.
 - Other: _____

PROVIDER CERTIFICATION Please check the box next to each statement indicating that you understand the statement.

- I certify that the information provided in Section B is true and correct and promise to provide additional documentation if necessary, including confirming the above information when contacted by Office of Higher Education staff or the college financial aid administrator.
- I understand that I cannot charge a Postsecondary Child Care Grant recipient a higher rate for services than the rates charged to other clients who are not recipients. I understand that if I purposely give false or misleading information on this form, I may be subject to a fine, a prison sentence, or both.
- I understand my obligation to immediately report any changes to the information provided in the above chart to the student's financial aid administrator using the contact information provided below.

| | |
|--------------------|-----------------------|
| Provider Signature | Date (month/day/year) |
|--------------------|-----------------------|

Please report any changes to the student's college financial aid administrator using this contact information

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Minnesota Postsecondary Child Care Grant Program Maximum Award Chart 2008-2009 - \$2,600 Maximum Maximum Award Per Eligible Child by Total Income* and Family Size*

| Total Income Range | Maximum Annual Award in Statute: | | | | | | | | | | | | |
|---------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|--|
| | Family Size 2 | Family Size 3 | Family Size 4 | Family Size 5 | Family Size 6 | Family Size 7 | Family Size 8 | Family Size 9 | Family Size 10 | Family Size 11 | Family Size 12 | Family Size 13 | |
| \$0 - \$0 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$1 - \$1,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$1,001 - \$2,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$2,001 - \$3,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$3,001 - \$4,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$4,001 - \$5,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$5,001 - \$6,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$6,001 - \$7,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$7,001 - \$8,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$8,001 - \$9,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$9,001 - \$10,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$10,001 - \$11,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$11,001 - \$12,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$12,001 - \$13,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$13,001 - \$14,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$14,001 - \$15,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$15,001 - \$16,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$16,001 - \$17,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$17,001 - \$18,000 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$18,001 - \$19,000 | \$2,520 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$19,001 - \$20,000 | \$2,420 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$20,001 - \$21,000 | \$2,320 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$21,001 - \$22,000 | \$2,220 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$22,001 - \$23,000 | \$2,120 | \$2,588 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$23,001 - \$24,000 | \$2,020 | \$2,488 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$24,001 - \$25,000 | \$1,920 | \$2,388 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$25,001 - \$26,000 | \$1,820 | \$2,288 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |
| \$26,001 - \$27,000 | \$1,720 | \$2,188 | \$2,585 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | |

Maximum Annual Award in Statute: \$ 2,600

Income Protection Allowance = \$18,200 (130% of 2008 federal poverty level)

Family Size Allowance per family member over 2 = \$ 4,680 (130% of 2008 federal poverty level)

Rate on income after \$18,200 income protection allowance and family size allowance = 10%

Awards truncated not to exceed \$2,600

Such that: \$2,600 - ((income - (\$18,200) - family size allowance) x 10% = Award, with award not to exceed \$2,600

Minimum annual award of \$100

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| Total Income Range | Family Size 2 | Family Size 3 | Family Size 4 | Family Size 5 | Family Size 6 | Family Size 7 | Family Size 8 | Family Size 9 | Family Size 10 | Family Size 11 | Family Size 12 | Family Size 13 |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| \$27,001 - \$28,000 | \$1,620 | \$2,088 | \$2,556 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$28,001 - \$29,000 | \$1,520 | \$1,988 | \$2,456 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$29,001 - \$30,000 | \$1,420 | \$1,888 | \$2,356 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$30,001 - \$31,000 | \$1,320 | \$1,788 | \$2,256 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$31,001 - \$32,000 | \$1,220 | \$1,688 | \$2,156 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$32,001 - \$33,000 | \$1,120 | \$1,588 | \$2,056 | \$2,524 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$33,001 - \$34,000 | \$1,020 | \$1,488 | \$1,956 | \$2,424 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$34,001 - \$35,000 | \$920 | \$1,388 | \$1,856 | \$2,324 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$35,001 - \$36,000 | \$820 | \$1,288 | \$1,756 | \$2,224 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$36,001 - \$37,000 | \$720 | \$1,188 | \$1,656 | \$2,124 | \$2,592 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$37,001 - \$38,000 | \$620 | \$1,088 | \$1,556 | \$1,024 | \$2,492 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$38,001 - \$39,000 | \$520 | \$988 | \$1,456 | \$1,924 | \$2,392 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$39,001 - \$40,000 | \$420 | \$888 | \$1,356 | \$1,824 | \$2,292 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$40,001 - \$41,000 | \$320 | \$788 | \$1,256 | \$1,724 | \$2,192 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$41,001 - \$42,000 | \$220 | \$688 | \$1,156 | \$1,624 | \$2,092 | \$2,560 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$42,001 - \$43,000 | \$120 | \$588 | \$1,056 | \$1,524 | \$1,992 | \$2,460 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$43,001 - \$44,000 | \$0 | \$488 | \$956 | \$1,424 | \$1,892 | \$2,360 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$44,001 - \$45,000 | \$0 | \$388 | \$856 | \$1,324 | \$1,792 | \$2,260 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$45,001 - \$46,000 | \$0 | \$288 | \$756 | \$1,224 | \$1,692 | \$2,160 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$46,001 - \$47,000 | \$0 | \$188 | \$656 | \$1,124 | \$1,592 | \$2,060 | \$2,528 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$47,001 - \$48,000 | \$0 | \$0 | \$556 | \$1,024 | \$1,492 | \$1,960 | \$2,428 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$48,001 - \$49,000 | \$0 | \$0 | \$456 | \$924 | \$1,392 | \$1,860 | \$2,328 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$49,001 - \$50,000 | \$0 | \$0 | \$356 | \$824 | \$1,292 | \$1,760 | \$2,228 | \$2,600 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$50,001 - \$51,000 | \$0 | \$0 | \$256 | \$724 | \$1,192 | \$1,660 | \$2,128 | \$2,596 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$51,001 - \$52,000 | \$0 | \$0 | \$156 | \$624 | \$1,092 | \$1,560 | \$2,028 | \$2,496 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$52,001 - \$53,000 | \$0 | \$0 | \$0 | \$524 | \$992 | \$1,460 | \$1,928 | \$2,396 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$53,001 - \$54,000 | \$0 | \$0 | \$0 | \$424 | \$892 | \$1,360 | \$1,828 | \$2,296 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$54,001 - \$55,000 | \$0 | \$0 | \$0 | \$324 | \$792 | \$1,260 | \$1,728 | \$2,196 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$55,001 - \$56,000 | \$0 | \$0 | \$0 | \$224 | \$692 | \$1,160 | \$1,628 | \$2,096 | \$2,600 | \$2,600 | \$2,600 | \$2,600 |
| \$56,001 - \$57,000 | \$0 | \$0 | \$0 | \$124 | \$592 | \$1,060 | \$1,528 | \$1,996 | \$2,564 | \$2,600 | \$2,600 | \$2,600 |
| \$57,001 - \$58,000 | \$0 | \$0 | \$0 | \$0 | \$492 | \$960 | \$1,428 | \$1,896 | \$2,464 | \$2,600 | \$2,600 | \$2,600 |
| \$58,001 - \$59,000 | \$0 | \$0 | \$0 | \$0 | \$392 | \$860 | \$1,328 | \$1,796 | \$2,364 | \$2,600 | \$2,600 | \$2,600 |
| \$59,001 - \$60,000 | \$0 | \$0 | \$0 | \$0 | \$292 | \$760 | \$1,228 | \$1,696 | \$2,264 | \$2,600 | \$2,600 | \$2,600 |
| \$60,001 - \$61,000 | \$0 | \$0 | \$0 | \$0 | \$192 | \$660 | \$1,128 | \$1,596 | \$2,164 | \$2,600 | \$2,600 | \$2,600 |
| \$61,001 - \$62,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$560 | \$1,028 | \$1,496 | \$2,064 | \$2,532 | \$2,600 | \$2,600 |
| \$62,001 - \$63,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$460 | \$928 | \$1,396 | \$1,964 | \$2,432 | \$2,600 | \$2,600 |
| \$63,001 - \$64,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$360 | \$828 | \$1,296 | \$1,864 | \$2,332 | \$2,600 | \$2,600 |
| \$64,001 - \$65,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$260 | \$728 | \$1,196 | \$1,764 | \$2,232 | \$2,600 | \$2,600 |
| \$65,001 - \$66,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$160 | \$628 | \$1,096 | \$1,664 | \$2,132 | \$2,600 | \$2,600 |
| \$66,001 - \$67,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$528 | \$996 | \$1,564 | \$2,032 | \$2,500 | \$2,600 |
| | | | | | | | | | \$1,464 | \$1,932 | \$2,400 | |

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| Total Income Range | Family Size 2 | Family Size 3 | Family Size 4 | Family Size 5 | Family Size 6 | Family Size 7 | Family Size 8 | Family Size 10 | Family Size 10 | Family Size 11 | Family Size 12 | Family Size 13 |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| \$67,001 - \$68,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$428 | \$896 | \$1,364 | \$1,832 | \$2,300 | \$2,600 |
| \$68,001 - \$69,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$328 | \$796 | \$1,264 | \$1,732 | \$2,200 | \$2,600 |
| \$69,001 - \$70,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$228 | \$696 | \$1,164 | \$1,632 | \$2,100 | \$2,568 |
| \$70,001 - \$71,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$128 | \$596 | \$1,064 | \$1,532 | \$2,000 | \$2,468 |
| \$71,001 - \$72,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$496 | \$964 | \$1,432 | \$1,900 | \$2,368 |
| \$72,001 - \$73,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$396 | \$864 | \$1,332 | \$1,800 | \$2,268 |
| \$73,001 - \$74,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$296 | \$764 | \$1,232 | \$1,700 | \$2,168 |
| \$74,001 - \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$196 | \$664 | \$1,132 | \$1,600 | \$2,068 |
| \$75,001 - \$76,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$564 | \$1,032 | \$1,500 | \$1,968 |
| \$76,001 - \$77,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$464 | \$932 | \$1,400 | \$1,868 |
| \$77,001 - \$78,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$364 | \$832 | \$1,300 | \$1,768 |
| \$78,001 - \$79,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$264 | \$732 | \$1,200 | \$1,668 |
| \$79,001 - \$80,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$164 | \$632 | \$1,100 | \$1,568 |
| \$80,001 - \$81,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$532 | \$1,000 | \$1,468 |
| \$81,001 - \$82,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$432 | \$900 | \$1,368 |
| \$82,001 - \$83,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$332 | \$800 | \$1,268 |
| \$83,001 - \$84,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$232 | \$700 | \$1,168 |
| \$84,001 - \$85,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$132 | \$600 | \$1,068 |
| \$85,001 - \$86,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$500 | \$968 |
| \$86,001 - \$87,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$400 | \$868 |
| \$87,001 - \$88,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$300 | \$768 |
| \$88,001 - \$89,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200 | \$668 |
| \$89,001 - \$90,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100 | \$568 |
| \$90,001 - \$91,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$468 |
| \$91,001 - \$92,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$368 |
| \$92,001 - \$93,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$268 |
| \$93,001 - \$94,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$168 |
| \$94,001 - \$95,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*Total income = Taxable Income (AGI if filers, wages if non-filers)
 + Untaxed Income (FAFSA Worksheets A + B)
 - Income Exclusions (FAFSA Worksheet C)

Total Income

*Family Size = Household size derived from FAFSA and used for other financial aid programs.

**For family size greater than 13, contact OHE for instructions

In some instances, the maximum award shown can be increased by 10% to compensate for higher infant care costs. See instructions under 'Adjustments to Maximum Award Table for Infant Care' in the procedures section of the MN Office of Higher Education Financial Aid Manual.

To determine maximum award per eligible child for comparison to actual costs per eligible child each term, divide the appropriate annual award above by two (semesters) or three (quarters) and prorate the results on a per-credit basis for students enrolled for fewer than 15 credits. For example, the maximum award for a student with an income of \$22,500 and family size of 2 enrolled for 13 semester credits would be \$2,120 annual / 2 semesters = 1,060 x 13/15 = \$919.

| | | | |
|--|-------------------|-----------------------|---------------|
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Minnesota Postsecondary Child Care Grant Calculator 2008-2009

| | | |
|---|--|-----------------------------------|
| Student's Name: | | |
| Student's SSN: | | |
| Child's Name and Term Calculated: <small>(An award calculation form will be completed for each child)</small> | | |
| Date of Calculation: | | TO RESET FORM, PRESS CTRL+SHIFT+R |

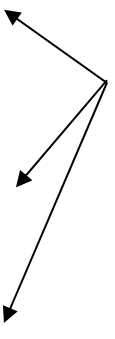
This spreadsheet can be used to calculate the term award for the Postsecondary Child Care Grant. The school is responsible for entering the correct values in all of the yellow boxes. The award for the term will be the lesser of the student's net actual child care costs or the maximum annual award for the student's income and household size after it has been adjusted for term length and enrollment level. The actual child care costs entered on this spreadsheet should represent net costs after other child care assistance (Basic Sliding Fee Program, court-ordered child care payments from the child's other parent, Postsecondary Child Care Grant received by the child's other parent) has been subtracted from gross child care charges. Because program policy caps actual child care charges at \$5 per hour for home day care or \$10 per hour for center day care and no more than 40 hours per week, this spreadsheet will cap those variables accordingly in determining the award based on **what the user enters in cell D22.**

| | | |
|--|--|---|
| Number of Terms/Payment Periods in School's Academic Year = Enter '2' for semester, '3' for quarter | | |
| Number of Weeks in Term for Which Student is Purchasing Child Care Services | | |
| Total Income = Taxed Income (AGI if filers, wages if not filers) + Untaxed Income (FAFSA Worksheets A & B) - Income Exclusions (FAFSA Worksheet C) <small>Note: This can be found on the ISIR labeled as FISAP income.</small> | | |
| Students Household Size (from FAFSA Question #84 if independent or FAFSA Question #65 if dependent) | | |
| Maximum Full-Time Term Award from the MN Office of Higher Education | | #N/A |
| Maximum Full-Time Term Award from OHE Chart Inflated by 10% for Infant Care Adjustment | <small>Enter a 'Y' in this yellow box if the provider is charging a more expensive rate for infant care and the school requested permission from OHE on the annual program participation form to increase the maximum award by 10% for higher infant care costs.</small> | #N/A |
| Number of Credits for Which Student is Enrolled for Term: | | |
| Maximum Term Award Adjusted for Student's Enrollment Level: | | \$0.00 |
| Actual Child Care Costs Per Week: (Be sure to subtract other child care assistance from gross charges) | | |
| Reported Total Hours of Child Care Per Week: | | #DIV/0! |
| Hourly Cap for Provider Charges: <small>(Enter \$5 for home day care; \$10 for center care)</small> | \$5 | Eligible Weekly Expense if more than 40 hours: |
| | | \$0.00 |
| Actual Costs for Term (hourly rate capped at cell C23) | | #DIV/0! |
| Actual Costs for Term (weekly hours capped at 40) | | \$0.00 |
| Child Care Term Award: | | #DIV/0! |

Created by Paul Hatch, Director of Financial Aid - Hibbing Community College. Modified by Ginny Dodds, Manager of State Financial Aid Programs, MN Office of Higher Education.

Users of this spreadsheet are responsible for the accuracy of all calculations!

Use the lesser of these three calculations



| | | |
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Combination of MN Office of Higher Education Postsecondary Child Care Grant and DHS Basic Sliding Fee Child Care Assistance

The Family

Single student with 2 dependent children in child care
 Student enrolled for 14 credits at school on 16-week semester system
 Total Income = \$17,500 3 in Household
 Receiving 35 hours child care per week per child
 Family child care provider (as opposed to child care center) located in Hennepin County

Actual Child Care Costs

Toddler \$170 week X 16 weeks = \$2,720 semester
 Infant \$200 week X 16 weeks = \$3,200 semester

Postsecondary Child Care Grant Maximum Award

Toddler \$2,600 yr/2 = \$1,300 sem X 14/15 = \$1,213 semester
 \$75.81 week/\$326 month
 Infant \$2,860 yr/2 = \$1,430 sem X 14/15 = \$1,334 semester
 (10% infant care adjustment) \$83.38 week/\$359 month
 Total Award \$2,547 semester
 \$159.19 week/\$685 month

Basic Sliding Fee Child Care Assistance

Toddler \$160.17 week* X 4.3 weeks = \$ 688.73 month
 Infant \$167.17 week* X 4.3 weeks = \$ 718.83 month
 *Total Recognized Provider Cost (Henn Cty) \$1,407.56 month
 - \$ 39.00 monthly BSF co-pay
 - \$ 685.00 monthly MHESO CCG
 Amount of Monthly BSF Assistance \$ 683.56

Total Monthly Assistance for Student

Postsecondary Child Care Grant \$ 685
 BSF Child Care Assistance \$ 684
 Total \$1,369

Actual Costs per Month \$1,591

| | | | |
|--|-------------------|-----------------------|---------------|
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| |
|--|
| 2008-2009 Postsecondary Child Care Grant Program Award Notice |
|--|

| | |
|----------------|------------------------|
| Student's Name | Social Security Number |
| | |

Congratulations. You have been awarded a Postsecondary Child Care Grant for the 2008-2009 academic year. Please read this notice carefully.

It is the institution's option to pay either the student or the child care provider the Postsecondary Child Care Grant. The grant cannot be disbursed before the beginning of each term, according to the institution's financial aid disbursement policies. The child care provider may ask for payment before service is given, if that is the business arrangement between the student and the provider.

It is your responsibility to inform the designated office at your institution within 10 days if any of the following changes should occur:

- receipt of MFIP or Basic Sliding Fee benefits;
- change of family income;
- change of family size;
- change of enrollment level;
- change of child care hours needed;
- change of provider rates;
- if a parent or legal guardian becomes available to provide child care; and/or
- any changes in your status which may affect your eligibility.

| Child's Name | Age | Term Dates | Term Award Total |
|--|-----|------------|------------------|
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| Total Award for the 2008-2009 Academic Year | | | \$ |

| | |
|--|-----------------------|
| Name of Financial Aid Administrator | Institution Name |
| | |
| Signature of Financial Aid Administrator | Date (month/day/year) |
| | |

All awards are subject to availability of funds. This is a notice only and is subject to change. The maximum award is established in state law and cannot exceed your actual cost of child care. The financial aid director may have the authority to increase the maximum award by 10 percent for certain counties in which infant care is more costly than care for children of other ages.

| | | | |
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| |
|---|
| 2008-2009 Postsecondary Child Care Grant Program Denial/Termination Notice |
|---|

| | |
|---|------------------------|
| Student's Name | Social Security Number |
| <p>This notice is to inform you that Postsecondary Child Care Grant for which you applied has been denied or discontinued for the following reason(s):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Applicant receives Minnesota Family Investment Program (MFIP). <input type="checkbox"/> Family income and/or family size exceed limitations. <input type="checkbox"/> Applicant is not a Minnesota resident. <input type="checkbox"/> Applicant does not meet the school's satisfactory academic progress requirements. <input type="checkbox"/> Applicant is not in good standing as determined by the school. <input type="checkbox"/> Applicant did not report a change to the financial aid office within 10 days. (Example: change of income, family size, parent or legal guardian at home and available to provide child care, etc.) <input type="checkbox"/> Child(ren) over age 12 or over age 14 and not handicapped. <input type="checkbox"/> Student is not enrolled at least half-time (six credits). <input type="checkbox"/> Student is enrolled in a sectarian program. <input type="checkbox"/> A parent or legal guardian is available to care for child(ren) during the time that child care is requested. <input type="checkbox"/> Applicant has not been attending school. (If a student has not been enrolled for 60 days or one academic term, whichever is longer, the student loses future priority for Postsecondary Child Care Grant funds.) <input type="checkbox"/> Applicant is in default on an educational student loan. <input type="checkbox"/> Applicant has a baccalaureate degree. <input type="checkbox"/> Applicant has been enrolled in postsecondary education for longer than the equivalent of four full-time academic years. <input type="checkbox"/> Other _____ <p>If you have any questions about this notice or wish to schedule an appointment to discuss this matter, you may appeal through the school's appeal procedure. If the outcome is not satisfactory, you can submit a written appeal to the Office of Higher Education, 1450 Energy Park Drive, Suite 350, St. Paul, MN 55108-5227. The Office of Higher Education will review appeals and determine if the school's actions were in compliance with the program statutes and rules. The decision of the Office of Higher Education is final. You must first follow the school's appeal procedure before contacting the Office of Higher Education.</p> | |
| Name of Financial Aid Administrator | Institution Name |
| Signature of Financial Aid Administrator | Date (month/day/year) |

| | | | |
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Postsecondary Child Care Grant Program 2007-2008 End of Year Report

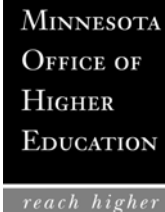
| <i>Institution Name</i> | <i>Fice Code</i> |
|--|------------------|
| <i>2007-2008 Initial Allocation</i> | |
| August 2007 Allocation | \$0 |
| October 2007 Allocation | \$0 |
| December 2007 Allocation | \$0 |
| SUBTOTAL INITIAL ALLOCATION | \$0 |
| <i>2007-2008 Reallocations</i> | |
| November 2007 Reallocation | \$0 |
| January 2008 Reallocation | \$0 |
| March 2008 Reallocation | \$0 |
| May 2008 Reallocation | \$0 |
| June 2008 Reallocation | \$0 |
| SUBTOTAL REALLOCATIONS | \$0 |
| <i>2007-2008 Refunds</i> | |
| July 2007 – December 2007 | \$0 |
| January 2008 – February 2008 | \$0 |
| March 2008 – June 2008 (late refunds) | \$0 |
| SUBTOTAL REFUNDS | \$0 |
| NET TOTAL OF CURRENT 2007-2008 FUNDS | \$0 |
| Minus 2007-2008 funds carried back to 2006-2007 | N/A |
| Plus 2006-2007 funds carried forward to 2007-2008 | \$0 |
| TOTAL FUNDS AVAILABLE | \$0 |
| TOTAL # OF STUDENTS | 0 |
| TOTAL STUDENT AWARDS | \$0 |
| Administrative Expense Allowance - Optional (limited to 5% of student awards) | \$0 |
| TOTAL STATE FUNDS EXPENDED | \$0 |
| Shortage of Funds. Apply carry-back from 2008-2009 to 2007-2008 (limited to 10% of initial allocation) | |
| Maximum funds that could be carried back | \$0 |
| Shortage of funds for 2007-2008 | \$0 |
| CARRY BACK FUNDS USED TO COVER SHORTAGE | \$0 |
| Excess funds available for carry-forward to 2008-2008 (limited to 10% of initial allocation) | |
| Maximum funds that could be carried forward | \$0 |
| Excess funds available for carry-forward | \$0 |
| FUNDS AVAILABLE FOR CARRY-FORWARD | \$0 |
| FINAL REFUND TO OHE | \$0 |

| | | | |
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1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227

Tel: 651-642-0567
800-657-3866
Fax: 651-642-0675

E-mail: info@ohe.state.mn.us
Web: www.ohe.state.mn.us
www.getreadyforcollege.org



Date: June 20, 2008

To: Postsecondary Child Care Grant Program Representative

From: Brenda Larter, Program Assistant
Financial Aid Programs

Subject: Postsecondary Child Care Grant Program - July Refund/Reallocation

We are now requesting refund/reallocation information for the **Postsecondary Child Care Grant Program**. OHE has created a web-based reporting mechanism for this purpose. You can access the reporting screen at: www.getreadyforcollege.org/surveys/refRealloc/ccg.cfm

In order to be considered in the 2007-2008 Postsecondary Child Care Grant Program reallocation process, you must report at the above website no later than **July 1, 2008**. Please report if you will be sending a refund or need additional Postsecondary Child Care funds.

Any program funds returned to OHE after March 1, 2008, will have an adverse affect on next year's allocation. You are allowed to keep up to five percent of your total student awards as an administrative expense allowance. You are also allowed to carry-forward up to ten percent of your 2007-2008 initial allocation shown on the spreadsheet as 'Allowable Carry-Forward / Carry-Back to FY 08.'

We don't anticipate receiving a large amount of refunds available for reallocation. However, another way to deal with a shortage of funds for this year is the ability to carry back funds from 2008-2009 to the 2007-2008 academic year. Schools are allowed to carry back up to ten percent of the school's 2007-2008 initial allocation. The amount you can carry back is shown on the spreadsheet as 'Allowable Carry-Forward / Carry-Back to FY 08.' Because the carry back funds are from the coming fiscal year, they will not be sent to schools until July. Therefore, schools will need to pay students from institutional dollars and get reimbursed later.

Please return refunds promptly, no later than July 1, 2008, reallocations cannot be processed until refunds are received by OHE. All refunds/checks returned should indicate the name of the pertinent program to ensure the funds are credited appropriately. Please check with your business office to ensure the refunds are being processed to meet this deadline. Refunds should be returned to:

**Minnesota Office of Higher Education
PO Box 64449
St. Paul, MN 55164-0449**

The attached spreadsheet shows:

- Institution
- August Allocation
- October Allocation
- December Allocation
- Initial Allocation
- November Reallocation

| | | | |
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March Reallocation
 May Reallocation
 November Refunds
 January Refunds
 February Refunds
 Late March Refunds
 Net Disbursements
 FY 07 Carry Forward to FY 08
 Allowable Carry-Forward / Carry-Back to FY 08

If you have any questions, please contact me.

| | | | |
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Request for Infant Care Adjustment to Postsecondary Child Care Grant

STUDENT SECTION

I am hereby requesting that the financial aid office review my Postsecondary Child Care Grant to determine if I am eligible for an adjustment because my provider charges me higher rates for infant care than for children in other age classifications. I give my provider permission to release the rate information requested in the provider section.

| | | |
|--------------|------------------------|-------------------------|
| Student Name | Social Security Number | Date (month, day, year) |
|--------------|------------------------|-------------------------|

Student Signature

PROVIDER SECTION

This form is to serve as documentation that the above named student is receiving child care services from _____ for an infant child and is being charged a higher day care rate for infant care than rates charged to children in other age classifications. In accordance with the state law governing the Postsecondary Child Care Grant program, I hereby confirm this day care service does not charge Postsecondary Child Care Grant recipients higher rates than those charged to clients who are not recipients of the Postsecondary Child Care Grants.

The rates charged by the provider for the various age classifications are as follows: (provider may attach pre-printed pricing structure material in lieu of completing this chart.)

| Age Classification | Age Range for Classification | Hourly Rate | Daily Rate | Weekly Rate |
|--------------------|------------------------------|-------------|------------|-------------|
| Infant | | | | |
| Toddler | | | | |
| Pre-School | | | | |
| School Age | | | | |

Student is being billed by the: hour day week


Date the student's child will no longer be classified as an infant: (month/day/year)

Provider is a: home day care service day care center

County in which provider is located:

| | |
|--------------------------------|------------------------------|
| Signature of Day Care Provider | Date Signed (month/day/year) |
|--------------------------------|------------------------------|

Note: Student must submit form to the Financial Aid Office to request an adjustment to the Postsecondary Child Care Grant Award.



**Minnesota
Public
Safety
Officer's
Survivor
Grant
Program**

| | | | |
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I. Public Safety Officer's Survivor (SOS) Grant Program

A. Program Objective

To provide financial assistance to students pursuing postsecondary education who are spouses or dependent children of public safety officers killed in the line of duty.

B. Program Overview

The Minnesota Office of Higher Education (the Agency) administers the education benefit portion of the Public Safety Officer's Survivor Benefits. Up to \$100,000 from the State Grant program will be available for such awards. Dependent children less than 23 years of age and the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive education benefits. The age limit is extended to less than 30 years for a dependent child who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

In order to be eligible to receive a grant from this program, a student must be enrolled in an undergraduate degree or certificate program at a Minnesota public or private postsecondary institution that has been approved to participate in the State Grant program, not have received a baccalaureate degree nor have been enrolled full time for the equivalent for 10 semesters or 15 quarters, and provide a copy of the Public Safety Officer's Benefit Fund Certificate.

The grant award is the lesser of:

- the school's average tuition and mandatory fees for the term; or
- the applicable tuition and fee maximum established in law (for students in a four-year degree program, \$4,919 semester/\$3,128 quarter; for students in a two-year or less program, \$2,904 semester/\$1,936 quarter).

The student applies for a Safety Officer's Survivor Grant at the institution. Each institution is responsible for attaching a copy of the student's "Benefit Fund Certificate" received from the Commissioner of Public Safety and forwarding it to the Agency with the application for processing. The institution is also responsible for disbursing program funds to the student or

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applying the award to the student's account and administering the program in compliance with Minnesota statutes, agency rules and procedures.

The school must maintain accurate and current records for each student receiving a Safety Officer's Survivor Grant. These records are subject to state audit and review.

C. Administration Overview

1. The student secures the "Public Safety Officer's Benefit Fund Certificate" from the Commissioner of Public Safety (Appendix 1).
2. The student completes the student portion of the application form followed by the institution completing the bottom portion. A copy of the student's "Benefit Fund Certificate" must be attached to the student's application form if the student is applying for the first time (Appendix 2).
3. The institution forwards the student application to the Agency for processing. **(Each student's application must be submitted each quarter/semester in order to receive funds.)**
4. The institution receives a copy of the payment roster which lists students receiving awards from this program and the award amounts (Appendix 3).
5. The Minnesota Department of Finance disburses funds to the college via EFT to cover all students on the payment roster.
6. The institution must verify the student's enrollment and eligibility status before disbursing the funds or applying the funds to the student's account. (The student must be enrolled in an undergraduate degree or certificate program at an eligible Minnesota institution and not have a baccalaureate degree or have been enrolled full time for the equivalent for 10 semesters or 15 quarters.)
7. The payment roster (or a photocopy) is to be returned to the Agency with any refunds for individual students who were paid on that particular payment roster.

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D. Eligibility to Participate

1. Postsecondary Institutions

Minnesota public or private postsecondary institutions participating in the State Grant program are eligible to participate in the Public Safety Officer's Survivor Grant program.

2. Students

a. Enrolled in Eligible Program

The student must be enrolled in an undergraduate program leading to a degree or certificate at an eligible Minnesota institution.

b. Baccalaureate Degree/Five Years of Postsecondary Education

The student must not have earned a baccalaureate degree or have been enrolled full time for more than 10 semesters, 15 quarters or the equivalent. (For instructions on reviewing academic transcripts, please refer to the 'State Grant' chapter of this manual.) Terms during which the student withdrew for active military duty after December 31, 2002, shall not count against the limit on postsecondary education.

c. Public Safety Certificate

The student must possess a "Public Safety Officer's Benefit Fund Certificate" issued by the Commissioner of Public Safety. The certificate must be presented to the financial aid office at the time of application so a copy of the certificate can be attached to the original application form.

d. Age Limitation

A dependent child of a public safety officer killed in the line of duty must be under 23 years of age on the first day of the academic year for which education benefits are requested. The age limit is extended to less than 30 years for a dependent child who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

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E. Terms of the Awards

1. Award Amount

The amount of the award is the lesser of:

- a. the annual average full-time tuition and mandatory fees charged by the institution, prorated for term length and enrollment level; or
- b. the applicable tuition and fee maximum established in law, prorated for term length and enrollment level.

The annual full-time tuition and fee maximums are \$9,838 for students in a four-year degree program and \$5,808 for students in a two-year degree program.

Both the annual average full-time tuition and mandatory fees and the tuition and fee maximum must be prorated for term length and enrollment level. For example, for a student enrolled for 12 credits at a school on the semester system, the annual tuition and fees and the applicable tuition and fee maximum are multiplied by 50 percent and then by 80 percent (12/15ths).

2. Renewals

Each award is given for one academic year but is renewable for a maximum of eight semesters, 12 quarters or the equivalent. The student must reapply for a grant each term in order to receive the funds. An award will not be renewed if the student is a dependent child who has reached the age limitations described under 'Age Limitations.'

3. State Grant Eligibility

An award from the Public Safety Officer's Survivor Grant program must not affect a recipient's eligibility for a State Grant.

4. Deadline Date for Submission of Application

A student's application must be received by the Agency no later than the last day of classes for the academic year for which grant funds are being requested.

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5. Refunds

If a recipient fails to enroll or reduces enrollment, the institution must refund the unused portion of the award to the Agency. To determine the correct refund amount, refer to the Refund Calculation Worksheet in the 'State Grant' chapter, Appendix 13.

Refunded money is available for awards to other eligible students.

6. Arrival of Awards at Institution

The Agency shall send a student's grant award to the institution within 30 days of the receipt of the student's application for the academic term but not before July 1 of the academic year for which the award is intended.

7. Withholding an Award

The Agency shall withhold payment for a student until all information on the application is complete and the student's eligibility is verified.

F. Institutional Responsibilities

1. Monitoring Student Eligibility

Each eligible institution with award recipients must maintain accurate and updated records for every student receiving a Public Safety Officer's Survivor Grant. The financial aid administrator must verify through the appropriate administrative office at the institution that the student continues to meet the student eligibility requirements throughout the student's course of study.

Each institution must establish a procedure to inform the financial aid office (or other appropriate office) of all changes in a student's status which may affect his/her eligibility for a Public Safety Officer's Survivor Grant.

2. Public Safety Officer's Survivor Grant Application

The institution must complete the "school section" of the student's application and submit an application to the Agency for the student for each academic term of the academic year.

| | | | |
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The first time a student submits an application for an award, the institution must attach a copy of the student's "Public Safety Officer's Benefit Fund Certificate" received from the Commissioner of Public Safety to the application form prior to submitting it to the Agency for processing.

3. Disbursement of Awards

Institutions are responsible for notifying their students that Public Safety Officer's Survivor funds have been received from the Agency.

Each check is made payable to the student in care of the institution and must be disbursed for the academic year from which funds are generated.

Awards must be disbursed in a manner consistent with the requirements provided in the 'Disbursement Process' section of the 'State Grant' chapter of this manual.

a. Certifying Student Eligibility

At the time of disbursement, the school must verify that the student meets all of the program eligibility requirements.

G. State Audits

State auditors will periodically visit each institution to perform an audit. Schools also have the option of hiring an independent audit firm to conduct state audits in conjunction with audits of federal aid programs. (See 'Audits' under 'Common Definitions' chapter of this manual.)

Each institution must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar's Office, but that choice is made by the institution.

| | | | |
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The institution must make available all pertinent books, documents, papers and records for audit and examination for three years after the last day of a fiscal year or until all audit exceptions for the period are resolved.

1. Student Eligibility

The school must have written documentation to support the student's eligibility including, but not limited to, the following:

- a. the student's enrollment level in an eligible program at the time of the award disbursement. The actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the Registrar's Office or other responsible department within the school; and
- b. that the student met the other program eligibility requirements described in the 'Eligibility to Participate' section of this chapter.

A photocopy of the student's "Public Safety Officer's Benefit Fund Certificate" received from the Commissioner of Public Safety should be kept in the student's file.

2. Documentation of Refunds

Written documentation supporting individual student refunds to the Public Safety Officer's Survivor Grant program must be retained at the school (i.e., a copy of the calculation worksheet used to calculate the refund).

3. Return of Checks

Public Safety Officer's Survivor Grant funds not issued to students must be returned to the Agency within 30 days of the beginning of the academic term or 30 days from the receipt of the funds at the school, whichever is later. The funds must be returned with the applicable payment roster or a copy of that roster. Documentation of such refunds must be retained at the school.

Schools may retain funds more than 30 days if the school has proof that they have contacted the student and that the student will start the applicable term later.

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Schools must be able to identify the date on which the funds were disbursed to the student and the corresponding dollar amount.

Amounts returned to the program must also be documented for individual students (copy of the payment roster with refunds indicated).

H. Summary of State Audit Requirements: Institutional Documentation

Each institution must be able to produce the following for auditors:

1. individual student financial aid files for Public Safety Officer's Survivor Grant recipients;
2. documentation of enrollment level in eligible program for each recipient;
3. documentation of the disbursement dates of funds to individual award recipients;
4. written documentation of refund calculations for individual award recipients (i.e., copy of refund calculation worksheet); and
5. written documentation of individual student refund amounts and the date these Public Safety Officer's Survivor Grant funds were returned to the Agency.

| | | | |
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**Minnesota
Statutes
Governing
Public
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299A.41 DEFINITIONS.

Subdivision 1. **Scope.** The definitions used in this section apply to sections 299A.41 to 299A.46.

Subd. 2. **Dependent child.** A “dependent child” means a person who is unmarried and who was either living with or was receiving support contributions from the public safety officer at the time of death, including a child by birth, a stepchild, an adopted child, or a posthumous child, and who is:

- (1) under 18 years of age;
- (2) over 18 years of age and incapable of self-support because of physical or mental disability; or
- (3) over 18 years of age and a student as defined by United States Code, title 5, section 8101.

Subd. 3. **Killed in the line of duty.** “Killed in the line of duty” does not include deaths from natural causes. In the case of a peace officer, “killed in the line of duty” includes the death of an officer caused by accidental means while the peace officer is acting in the course and scope of duties as a peace officer.

Subd. 4. **Public safety officer.** “Public safety officer” includes:

- (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);
- (2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;
- (3) an individual employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in any of the following duties:
 - (i) fire fighting;
 - (ii) emergency motor vehicle operation;
 - (iii) investigation into the cause and origin of fires;
 - (iv) the provision of emergency medical services; or
 - (v) hazardous material responder;
- (4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit fire-fighting corporation who is engaged in the hazards of fire fighting;
- (5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;
- (6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;
- (7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care;
- (8) a first responder who is certified by the emergency medical services regulatory board to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an

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organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance; and

- (9) a person, other than a state trooper, employed by the commissioner of public safety and assigned to the State Patrol, whose primary employment is the enforcement of commercial motor vehicle laws and regulations.

Subd. 5. **Spouse.** "Spouse" means a person legally married to the decedent at the time of the decedent's death.

History: 1990 c 591 art 5 s 1; 1991 c 199 art 1 s 66; 1992 c 523 s 1,2; 1992 c 553 s 1; 1Sp2001 c 8 art 2 s 66; 2005 c 10 art 2 s 4

299A.42 PUBLIC SAFETY OFFICER'S BENEFIT ACCOUNT.

The public safety officer's benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account. Money in the account that is not expended in the fiscal year in which it is transferred or appropriated does not revert to the general fund until claims for reimbursement under section 299A.465 that are submitted in that fiscal year are either paid or denied.

History: 1990 c 591 art 5 s 2; 1Sp2003 c 2 art 4 s 2

299A.43 ELIGIBILITY DETERMINATION; CONTESTED CASE.

A challenge to a determination of eligibility by the commissioner of public safety must be heard as a contested case, except that the decision of the administrative law judge is binding on the parties to the proceeding. The order of the administrative law judge is the final decision of the commissioner. The hearing must be conducted according to sections 14.56 to 14.62 and is subject to appeal according to sections 14.63 to 14.68.

History: 1990 c 591 art 5 s 3

299A.44 DEATH BENEFIT.

Subdivision 1. **Payment required.**

- (a) On certification to the governor by the commissioner of public safety that a public safety officer employed within this state has been killed in the line of duty, the commissioner of finance shall pay \$100,000 from the public safety officer's benefit account, as follows:
- (1) if there is no dependent child, to the spouse;

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- (2) if there is no spouse, to the dependent child or children in equal shares;
 - (3) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;
 - (4) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares; or
 - (5) if there is no surviving spouse, dependent child, or dependent parent, to the public safety officer's estate.
- (b) If there are both a spouse and one or more dependent children under age 18, the spouse, at the spouse's discretion, may spend a maximum of one-third of a child's share on medical or dental treatment for the child or the child's education. Expenditures under this paragraph on behalf of a child do not diminish the shares of any other children. In addition, a spouse, at the spouse's discretion, may expend money from a child's share to pay state and federal taxes on any interest accrued on the share.

Subd. 2. **Adjustment of benefit.** On October 1 of each year beginning after July 1, 1995, the commissioner of public safety shall adjust the level of the benefit payable immediately before October 1 under subdivision 1, to reflect the annual percentage change in the Consumer Price Index for all urban consumers, published by the federal Bureau of Labor Statistics, occurring in the one-year period ending on June 1 immediately preceding such October 1.

History: 1990 c 591 art 5 s 4; 1995 c 133 s 1; 1995 c 226 art 2 s 4; 1995 c 265 art 2 s 26; 1Sp2003 c 2 art 4 s 3

299A.45 EDUCATION BENEFIT.

Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under this section if the person:

- (1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;
- (2) is enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;
- (3) has not receive a baccalaureate degree or been enrolled full time for ten semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility; and
- (4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

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- (i) as a dependent child less than 23 years of age;
- (ii) as a surviving spouse; or
- (iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Subd. 2. Award amount.

- (a) The amount of the award is the lesser of:
 - (1) the average tuition and fees charged by the institution; or
 - (2) the tuition maximums established by law for the state grant program under section 136A.121.
- (b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.
- (c) For the purposes of this subdivision, "fees" include only those fees that are mandatory and charged to all students attending the institution.

Subd. 3. Payment. On proof of eligibility for this program, an eligible institution, on behalf of the student, shall request payment of the award from the Minnesota Office of Higher Education. An institution must not request payment unless the student is enrolled in or has completed the term for which the payment is intended.

Subd. 4. Renewal. Each award must be given for one academic year and is renewable for a maximum of eight semesters or the equivalent. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

History: 1990 c 591 art 5 s 5; 1991 c 356 art 8 s 22; 1995 c 212 art 3 s 59; 1Sp2001 c 1 art 2 s 20,21; 2003 c 133 art 3 s 26; 2005 c 107 art 2 s 53,54,60

NOTE: The additional semester or the equivalent of grant eligibility under subdivisions 1 and 4, as amended by Laws 2005, chapter 107, article 2, sections 53 and 54 respectively, applies to any student who withdrew from enrollment in a postsecondary institution after December 31, 2002, because the

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student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c. Laws 2005, chapter 107, article 2, section 59.

299A.46 RULES.

The commissioner of public safety may adopt rules under chapter 14 to implement, coordinate, and administer sections 299A.41 to 299A.44. The Minnesota Office of Higher Education may adopt rules to implement, coordinate, and administer section 299A.45.

History: 1990 c 591 art 5 s 6; 1995 c 212 art 3 s 59; 1995 c 233 art 2 s 56; 2005 c 107 art 2 s 60



**Office of
Higher
Education
Rules
Governing
Public
Safety
Officer's
Survivor
Grant
Program**

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4830.8000 SCOPE.

Parts 4830.8000 to 4830.8040 govern state postsecondary education grants to spouses and dependent children of public safety officers killed in the line of duty.

Stat Auth: MS s 136A.04; 136A.16; 136A.234

Hist: 15 SR 2266

4830.8010 ELIGIBLE INSTITUTIONS.

A student receiving a grant from the Public Safety Officer's Survivor Grant Program must attend a postsecondary institution that is an eligible institution as defined in Minnesota Statutes, section 136A.101, subdivision 4, and part 4830.0300, subparts 1 and 2, as limited by Minnesota Statutes, section 299A.45, subdivision 1.

Stat Auth: MS s 136A.04; 136A.16; 136A.234

Hist: 15 SR 2266

4830.8020 ELIGIBLE RECIPIENT.

To be eligible for a grant, the person must:

- A. be enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible institution as specified in part 4830.8010;
- B. not have received a baccalaureate degree, nor have been enrolled full time or the equivalent for eight semesters or 12 quarters, whichever occurs first;
- C. be a dependent child less than 23 years of age or the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973; and
- D. provide a copy of the certification of eligibility received from the commissioner of public safety to the eligible institution.

Stat Auth: MS s 136A.01; 136A.04; 136A.16; 136A.234

Hist: 15 SR 2266; 23 SR 594

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4830.8030 INSTITUTIONAL REQUEST AND DISBURSEMENT OF FUNDS FOR GRANTS.

Subpart 1. **Institutional request.** After verifying a student's eligibility, the institution must submit a written request to the executive director for payment of grant money for the student. A separate request must be submitted for each academic term the student is enrolled. A copy of the student's certificate of eligibility from the commissioner of public safety must accompany the institution's first request for payment.

Subp. 2. **Deadline.** The request for grant money for a student must be received by the executive director no later than the last day of classes for the academic year for which grant money is requested.

Subp. 3. **Disbursement of funds.** An institution must not disburse grant money for a student unless the student is enrolled in or has completed the academic term for which payment is intended.

Subp. 4. **Refunds.** A grant is made for a student's attendance at a specific institution for the state fiscal year. If a recipient fails to enroll or reduces enrollment, the institution must refund the unused portion of the grant to the executive director. Refunded money is available for awards to other eligible students.

Stat Auth: MS s 14.388; 136A.04; 136A.16; 136A.234

Hist: 15 SR 2266; 28 SR 889

4830.8040 PAYMENTS TO INSTITUTIONS.

Subpart 1. **Time of payment.** The executive director shall send grant money for an eligible student to the institution within 30 days of receipt of a request for payment, but not before July 1 of the academic year for which payment is intended.

Subp. 2. **Withholding payment.** The executive director shall withhold payment for a student until the institution's request for payment is complete and the student's eligibility is verified.

Stat Auth: MS s 136A.04; 136A.16; 136A.234

Hist: 15 SR 2266



**Appendices:
Minnesota
Public
Safety
Officer's
Survivor
Grant
Program**

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Public Safety Officer's Benefit Fund Certificate

Is eligible for education benefits under the Public Safety Officer's Benefit Fund in accordance with Minnesota Statute 299A.45, at a Minnesota Public or Private Post secondary institution upon presentation of this certificate.



In Witness Whereof, I have hereunto set my hand and caused the Seal of the Department of Public Safety of the State of Minnesota to be affixed this fourth day of September in the year of our Lord one thousand nine hundred and ninety-seven, and of the State the one hundred thirty-third.

Donald DeWitt

Commissioner of Public Safety

HECBSOS/072697/477700066/122854

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|---|
| 2008-2009 Public Safety Officer's Survivor Grant Program Application |
|---|

Student completes Section A. Financial aid administrator at the school completes section B. Students applying to the Public Safety Officer's Survivor Grant Program must return this completed application to the financial aid office at the school you are/will be attending. You must attach a copy of your certification from the Commissioner of Public Safety to the application.

| | | | |
|---|--|---|------------------------|
| SECTION A – Completed by student (Please use ink or type) | | | |
| 1. Name (Last, First, Middle) | | | |
| 2. Social Security Number | | 3. Date of Birth (month, day, year) | 4. County of Residence |
| 5. Permanent Home Address | | 6. Telephone Number (include area code) | |
| 7. City, State, Zip Code | | 8. Student's Email Address | |
| 9. I am: (check one) <input type="checkbox"/> enrolled in a 4-year undergraduate degree program. <input type="checkbox"/> enrolled in a 2-year undergraduate degree program. <input type="checkbox"/> enrolled in a certificate program. | | 10. I am: (check one) <input type="checkbox"/> a surviving spouse of a public safety officer killed in the line of duty. <input type="checkbox"/> a surviving dependent child of a public safety officer killed in the line of duty. (complete item #11) | |
| 11. If you are the surviving dependent child of a public safety officer killed in the line of duty, when will you be 23 years of age? _____/_____/_____ month day year | | 12. If you are the surviving dependent child of a public safety officer killed in the line of duty, did you serve on active military duty 181 consecutive days or more and have you been honorably discharged or released to your reserve or National Guard unit. <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 13. Have you earned a baccalaureate degree? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| 14. How many terms of postsecondary education have you attended? (see instructions) | | | |
| STUDENT CERTIFICATION | | | |
| I certify that the information on this application is true and correct. I give the Office of Higher Education permission to secure information about my financial aid package from the postsecondary institution that I attend. I understand that this form is used to establish eligibility for the Public Safety Officer's Survivor Grant Program and that if I purposely give false or misleading information on this form I am subject to a fine, prison sentence or both; and such action may result in the forfeiture of future awards from this program. | | | |
| Student's Signature | | Date (month, day, year) | |
| SECTION B – To be completed by the school | | | |
| 1. Name of Postsecondary Institution | | | |
| 2. Street Address | | 3. Telephone Number (include area code) | |
| 4. City, State, Zip Code | | 5. School Administrator's Email Address | |
| 6. Name of School Administrator (print or type) | | 7. School Administrator's Signature | |
| 8. Provide enrollment level for term student is applying for _____ fall winter spring summer | | 9. Date (month, day, year) | |

| | | | |
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2008-2009 Public Safety Officer's Survivor Grant Program Application Instructions

YOU MUST ATTACH A COPY OF YOUR CERTIFICATION FROM THE COMMISSIONER OF PUBLIC SAFETY TO THE APPLICATION.

Read instructions before completing the application. Incomplete applications will not be processed. Students applying to the Public Safety Officer's Survivor Grant Program must complete this application and return it to the financial aid office at the school you are/will be attending. Applications must be completed in ink or typed.

To be eligible to receive a Public Safety Officer's Survivor Grant, a student must:

1. be a dependent child less than 23 years of age (or 30 years of age for a public safety officer's surviving dependent child who has served on active military duty 181 consecutive days or more and has been honorable discharged or released to the surviving dependent child's reserve or National Guard unit) or the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973;
2. not have a baccalaureate degree, or not have been enrolled on a full-time basis for 10 semesters, 15 quarters, or the equivalent; if you withdrew from college during a term because you were called up for active military service after December 31, 2002, please provide the necessary documentation to your financial aid administrator;
3. be enrolled in an undergraduate degree or certificate program, and
4. attach a copy of the certification of eligibility received from the Commissioner of Public Safety to the application.

The award amount is the lesser of:

- a. the annual average full-time tuition and mandatory fees charged by the institution, prorated for term length and enrollment level; or
- b. the applicable tuition and fee maximum established in law prorated for term length and enrollment level. The annual full-time tuition and fee maximums for the 2008-2008 academic year are \$9,838 for students in a 4-year degree program and \$5,808 for students in a 2-year degree program.

NOTICE TO APPLICANTS

Section 7(b) of the Federal Privacy Act of 1974 (5 U.S.C. 552a) requires that when any federal, state, or local government agency asks you to disclose your Social Security Account Number, you must be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it. Accordingly, you are being advised that disclosure of your Social Security number is voluntary.

The Social Security number will be used to verify your identity, and as an identifier of your file in order to record necessary data accurately. As an identifier, the Social Security number is used in the Public Safety Officer's Survivor Grant Program for such purposes as processing the application form, program evaluation and reporting, and notification of program eligibility and award amount to your postsecondary institution.

Pursuant to Minnesota Statutes, Sec. 13.04, subd. 2 (2004), you are hereby informed that the information supplied in this application may be used as follows: (1) in the processing and verification of the data supplied to determine your eligibility for this program; (2) for compilation and analysis of summary data relative to this program; and (3) for dissemination of information to the school. You are not required to provide the information supplied in this application. However, failure to submit requested data may prevent further processing of this application. The information supplied in this application may be shared with other public and private individuals and entities in order to use the information for the purposes specified above.

The Office of Higher Education does not discriminate on the basis of disability in the admission or access to, or treatment or employment, in its programs or activities. This document can be made available in an alternative format to individuals by calling (651) 642-0567.

Minnesota Office of
Higher Education
1450 Energy Park Drive
Suite 350
St. Paul, MN 55108-5227
651-642-0567
1-800-657-3866

MN Relay Service:
1-800-627-3529

Manual Payment Request & Roster

Date: _____ School Name: _____
 Program: Public Safety Officer's Survivor Grant School Address: _____
 Payment Requested by: _____ Fice Code: _____
 (Signature)
 Warrant Payable to: Institution

2008-2009 Academic Year

| Student Name | Vendor Number | Social Security # | Total Award Amount | Payment Amount | Term | Document Number | Returned Amount | Reason for Return |
|------------------------|---------------|-------------------|--------------------|----------------|------|-----------------|-----------------|-------------------|
| | | | \$ | \$ | | | \$ | |
| | | | \$ | \$ | | | \$ | |
| | | | \$ | \$ | | | \$ | |
| | | | \$ | \$ | | | \$ | |
| | | | \$ | \$ | | | \$ | |
| Total Payments: | | | | \$ | | | | |

| | | | |
|--|------------|--|--|
| For Financial Services Use Only: | | To Be Completed by Institution: | |
| Fund 100 | Agency E60 | SPD | I verify the amounts listed above have been received and the monies disbursed or returned according to the established program procedures. |
| Org 2416 | Apr 002 | Obj 4B00 | |
| Date Invoice <u>Public Safety Officer's Survivor Grant</u> | | [Note: Return roster and any refunds to the attention of the Financial Services Unit at Office of Higher Education, at the address shown above.] | |
| Payment approved by: _____ | | Signature _____ | |
| Signature of Financial Services Official | | Date (Mo/Day/Yr) _____ | |

SELF
Loan
Program®



June 2008

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I. SELF Loan Program

A. Program Objective

To provide educational loans to Minnesota postsecondary students who are unable to obtain sufficient funds from other non-loan financial aid programs to meet their financial need.

B. Program Overview

The SELF Loan program is intended to help Minnesota residents and students attending Minnesota schools in financing their education. The SELF Loan program is intended to be an additional source of assistance. The Minnesota Office of Higher Education (the Agency) does require that students seek other sources of federal, state, institutional and private aid before incurring debt.

The student must either be enrolled in an eligible Minnesota school or be a Minnesota resident enrolled in an eligible school in another state, U.S. territory or in the Canadian Province of Manitoba. The student must be enrolled at least half-time and non-Minnesota residents must be enrolled for a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Undergraduate students may borrow up to \$7,500 per grade level in SELF Loans, not to exceed a total of \$37,500 in SELF Loans. Graduate students may borrow up to \$9,000 in SELF Loans per grade level with the total of all SELF Loans (including undergraduate) not to exceed \$55,500. The minimum loan amount is \$500. Each time the student applies for a SELF Loan, he/she must secure a “credit-worthy” co-signer as defined by the SELF requirements.

The SELF Loan program is currently issuing loans under Phase IV. The interest rate varies quarterly. The borrower must pay interest on a quarterly basis while in school (in-school period) and interest payments start within 90 days from the date of the first disbursement of the loan. The borrower makes monthly interest payments during the first 12 months after graduation or termination of study (transition period). Monthly payments of principal and interest start on the 13th month after graduation or termination of study (repayment period). There is no penalty for prepaying loans. An Extended Interest Plan providing up to three years of interest only payments is also available.

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Only schools located in the United States or its territories or in the Canadian Province of Manitoba are eligible to participate. The student must be making satisfactory academic progress and be enrolled on at least a half-time basis when each disbursement of the loan is made to him/her at the school.

An online application is available at www.selfloan.org. Schools must sign up through the Firstmark School Hotline in order for students to apply using the online process. Paper application forms are also available or schools can use an electronic form of application called TeleSELF. Applications are accepted at any time before and during the loan period. Normal processing time is one to three business days from the date of receipt by the Agency if the application is complete and correct and if the co-signer is credit-worthy according to the requirements of the SELF Loan program. Processing may take longer if the application must be returned for corrections or if additional information is necessary for processing.

Schools may certify SELF Loans after the end of the loan period. However, in order to ensure compliance with the SELF Rules requiring that the student receive the funds within 30 calendar days from the end of the loan period, the following deadlines have been established for the acceptance of applications:

- Applications will be accepted through the last day of the loan period without restrictions. If an application is received after the last day of the loan period and the application is incomplete or the co-signer is not credit-worthy, the application will be returned to the borrower, co-signer or school for completion/correction. The completed/corrected application must be received back by the Agency no later than 20 calendar days after the end of the loan period.
- Applications received later than 20 calendar days after the end of the loan period will not be processed.
- Please encourage students to apply early to ensure their application can be processed by the deadline.

Note: For the purpose of this manual, the terms “educational institution,” “postsecondary school,” “institution,” and “school” are used interchangeably. Although technical

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differences do exist between the terms, clarity in references to statute, Agency Rules and program descriptions necessitates the reader’s acceptance of their interchangeability in this manual.

The terms “students” and “borrowers” are used interchangeably in this manual.

The Servicer for the SELF Loan program is Firstmark Services. Refer to Appendix 2 for Servicer contact information.

C. Administration Overview

- School signs SELF Participation Agreement with the Agency.
- For schools using the SELFApp process, the student applies online at www.selfloan.org. The school either certifies the loan using their school based software or certifies online. The borrower can chose to electronically sign the application or hand sign the application. If the borrower electronically signs the application the co-signer will have the option to electronically sign or hand sign. In order to electronically sign, the co-signer will need to pass an authentication examination by answering three or four questions based on the co-signer’s credit and demographic information. If the note needs to be hand signed by any party, the co-signer will print the promissory note after the borrower and co-signer sections have been completed online. After any hand signatures are done, the application needs to be mailed to the Agency. The Agency matches the electronic certification with the signed promissory note for processing. Various e-mails are sent throughout the process to remind the borrower and co-signer when action is required to complete the process.

A demonstration of the online application is available at www.ohe.state.mn.us/self/options.cfm.

- For schools using the TeleSELF electronic process, the school transmits the borrower and school information to the Agency via Firstmark. The application/promissory note is printed and mailed by the Agency to the borrower for signature. The borrower sends it to the co-signer for completion of the Co-Signer’s Section. The co-signer and borrower keep their

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copies of the application/promissory note and send the original to the Agency for processing.

- For schools using the combination TeleSELF/paper application, the school transmits the borrower and school information to the Agency via Firstmark and mails to the Agency a paper application that has been completed by the borrower and co-signer. The Agency matches up the electronic transmission and the paper application for processing. The school must contact the Agency in order to start the electronic or the electronic combination process. Instructions for completing the School Section are included in Appendix 4.
- For schools using paper applications, the student obtains a SELF Application/Promissory Note from the school's financial aid office and completes the Borrower's Section of the application/promissory note. The borrower forwards the application/promissory note to the co-signer for completion of the Co-Signer's Section. The school then completes the School's Section and retains the borrower, co-signer and school copies and sends the Office of Higher Education copy to the Agency. The school needs to provide the borrower or co-signer copies to the borrower or co-signer upon request. The co-signer information on the application/promissory note should be considered as private data and should not be used for any other purposes at the school. Instructions for completing the School Section are included in Appendix 4.
- The school must certify that the applicant is accepted for enrollment or is currently enrolled, is making satisfactory progress, has met the Maximum Effort Test, and has educational expenses less other sources of financial aid or educational loans that are greater than or equal to the amount of the requested loan. The financial aid administrator should also review the information on the application/promissory note for accuracy and completeness. A SELF Loan Checklist is included in Appendix 17 to help schools, borrowers and co-signers ensure that applications are complete before sending them to the Agency.
- The SELF staff at the Agency review the application/promissory note and determine if the co-signer is credit-worthy according to SELF requirements. If the student is eligible for a SELF Loan, the loan is approved and forwarded to the Servicer for disbursement.
- The Servicer is an agent of the SELF Loan program and services all SELF Loans. All billings to students and payments made by students on their SELF Loans are handled by the

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Servicer. The student and co-signer will receive a Truth-In-Lending Disclosure at time of disbursement and upon entering repayment. After the student has completely repaid a SELF Loan, including interest, the Servicer will notify the borrower that the loan is paid in full.

- The SELF staff at the Agency may return an incomplete or incorrect application/promissory note for correction to the student, co-signer or school with a letter listing the action needed.
- If the SELF Loan is disbursed by check, the check will be made jointly payable to the student and the school, and it will be written as close as possible to the scheduled disbursement date(s) indicated on the SELF Repayment Schedule and Disclosure Statement. All SELF checks are sent to the school for disbursement to students.
- If the school wishes to have funds disbursed or returned via Electronic Funds Transfer (EFT), the school must sign a separate agreement with the Agency and abide by the EFT Policy adopted by the Agency. Schools interested in the EFT option should contact the Agency for more information. Sample EFT and check return forms are included in Appendices 14 and 15.
- Prior to disbursing the SELF funds to the student, a representative of the institution must verify that the student's enrollment is at least half-time and that he/she is maintaining satisfactory progress. Included in Appendix 19 is a Disbursement Checklist to assist schools.
- An application/promissory note which is rejected will have an Adverse Action letter sent to the borrower, co-signer and school explaining the reason for denial.
- Those applicants who are approved for loans, but not for the amount requested by the school or student, will be sent a letter indicating the reason for the reduced amount.

D. Eligibility to Participate

1. Postsecondary Institutions

An eligible institution for the SELF Loan program means a postsecondary institution that:

- is operated or regulated by the State of Minnesota or the Board of Regents of the University of Minnesota;

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- is operated publicly or privately in another state, is approved by the U.S. Department of Education; and, as determined by the Agency, maintains academic standards substantially equal to those of comparable institutions operated in Minnesota;
- is licensed or registered as a postsecondary institution by the Agency or another state agency;
- by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended;
- is in agreement with and has had the Chief Executive Officer of the school sign the SELF Participation Agreement, agreeing to perform certain administrative procedures in loan processing and counseling of students; and
- must provide data to the Agency on student enrollment and federal and state financial aid.

It also includes any institution chartered in the Canadian Province of Manitoba.

The SELF Participation Agreement will remain in effect until amended by mutual consent of both parties or until terminated. The agreement can be terminated by either the Agency or the school, with or without cause, upon 30 days written notice to the other party. All obligations of the school under the agreement will continue in full force and effect with respect to all SELF Loans then outstanding to students of the school. A new SELF Participation Agreement will need to be signed if a school legally changes its name or ownership.

The Agency may terminate an agreement with an institution to originate SELF Loans upon determining that the school is not in compliance with SELF Rules 4850.0010–4850.0018.

2. Eligible Program

An eligible program is an academic or vocational program of at least 12 quarter credits, 12 semester credits or 300 clock hours which ends with a degree or a certification.

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A student who has earned a degree and is pursuing an additional major is eligible for funding from the SELF Loan program even though another degree will not be awarded upon completion of the additional major. The borrower must be pursuing an additional major to be eligible for the SELF Loan, a minor doesn't qualify. To be eligible for the SELF Loan, the student needs to have declared the additional major. The student will still be subject to grade level and cumulative SELF Loan limits based on the new major.

A student who has earned a degree and decides to retake courses in order to improve his/her grade point average is not eligible for funding under the SELF Loan program since no degree or major is being pursued.

A student who is taking pre-requisite course work prior to being admitted to a graduate program is not eligible.

A student taking courses leading to licensure is eligible if the courses ultimately lead to a certificate.

3. Student

a. Residency

The student must either be enrolled in an eligible institution in Minnesota or be a Minnesota resident enrolled in an eligible school in another state, U.S. Territory or the Canadian Province of Manitoba; or a student who graduated from a Minnesota high school and has not since established residence in another state and is enrolled in an eligible school in Minnesota, another state, U.S. territory or the Canadian Province of Manitoba.

If the student is a non-Minnesota resident, he/she must be enrolled at least half-time with a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. He/she cannot be attending an out-of-state branch of a Minnesota school.

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High school students taking a college course under the PostSecondary Enrollment Options Program are not eligible for a SELF Loan.

b. Enrollment Status

The borrower must be enrolled at least half-time in an eligible program leading to a certificate, associate, baccalaureate, masters, doctorate or other professional degree. Refer to the previous section on Eligible Program for additional information on acceptable programs. Each institution must have written definitions of “full-time” and “half-time” to aid in program administration, avoid confusion and satisfy state audit requirements. Written definitions must be provided to school staff who are responsible for certifying SELF applications and disbursing SELF funds. Agency auditors do verify that the school has written definitions for half-time and full-time and do cite schools that are not in compliance with this requirement. According to the SELF Rules, a half-time student must carry at least one-half the workload of a full-time student. All schools, whether or not they participate in federal aid programs, should use the federal definitions of full-time and half-time status. A full-time definition would be at least 12 credits or 24 clock hours per week and a half-time definition would be at least 6 undergraduate semester/quarter hours or the equivalent of 12 clock hours per week. The school should be able to provide documentation justifying full-time or half-time definitions that require less time than the recommended minimum hours.

In order to be eligible for a SELF Loan, the student must be enrolled in courses that will be credited toward the student’s degree. If a student chooses to take courses at another institution and those courses will not be credited to his/her degree, the school can’t include the cost of those courses in the cost of attendance.

c. Satisfactory Academic Progress

The borrower must be making satisfactory academic progress at the time of disbursement. The school should base the satisfactory progress determination on the last review done prior to the current term. If the funds arrive at the school after the current term has ended and the school has already done the satisfactory progress review

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for this term and determined the student is not making satisfactory progress, the school should still disburse the SELF Loan as long as the student completed the term and would have been considered eligible at the beginning of the term. Based on the unsatisfactory progress determination, the student may not be eligible for a SELF Loan for the next term.

It is recommended that the school utilize the federal definitions for satisfactory progress which are found in Federal Regulations 34 CFR 668.16(e), 668.34 and 668.43(c)(2). The financial aid administrator must check the satisfactory academic progress requirement when completing the School Section of the SELF application/promissory note and prior to disbursement of the loan funds to the student.

d. Minnesota Resident Student

Minnesota Resident Student is a student who meets one of the following conditions:

- a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months;
- a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;
- a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or
- a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

e. Nonresidents

To be eligible to participate in the SELF Loan program, students who are not Minnesota residents must be enrolled on at least a half-time basis and must have a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota.

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f. Foreign Students or Undocumented Students

Foreign students on student visas or undocumented students attending an eligible Minnesota school located in Minnesota are eligible to apply for SELF Loans. The student is required to have a credit-worthy co-signer that is a U.S. citizen or a permanent resident. The co-signer must be prepared to provide proof of citizenship or permanent residency.

Foreign or undocumented students are not required to complete the Free Application for Federal Student Aid (FAFSA). This should be documented in the student's file.

When a foreign student is applying for a SELF Loan without a social security number, the school should use the alien id number as the social security number. If the alien id number has not been issued or the student is undocumented, the school can contact the Agency to obtain an identifying number to use.

g. Financial Eligibility

Students applying for SELF Loans must demonstrate financial eligibility by meeting the Maximum Effort Test. To meet the Maximum Effort Test the student must complete the FAFSA and the institution must have awarded all available federal, state, institutional and outside grant aid prior to the student applying for the SELF Loan. Students are not required to apply for other loans or work study before applying for SELF.

Included in Appendix 5 is a copy of the Waiver of SELF Maximum Effort Test. This waiver can be utilized if the student has previously applied for financial aid and was found to demonstrate little or no financial need and things have not changed significantly since applying for financial aid. Utilizing the waiver, the borrower can request a SELF Loan without performing the Maximum Effort Test in the current year. This waiver cannot be utilized for first year students who have never applied for financial aid or if parents refuse to provide financial information.

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It is not necessary for students to complete the FAFSA if it is known the student would not qualify for aid for reasons such as: the school does not participate in federal or state aid programs, or the student is a foreign or graduate student. The reason for not completing the FAFSA should be documented in the student's file.

h. Default

The borrower must not be currently in default, as defined by each program, of any student educational loan [e.g., FFEL, Direct Loan, FISL, Federal Perkins (NDSL), HPL, HEAL, Federal SLS, SELF or other state supplemental loan program, institutional loan program or any private educational loan program, etc.] at the current or any previous school. A student loan discharged in bankruptcy is, for purposes of the SELF Loan program, considered to be currently in default. If the student has paid the defaulted loan(s) in full and can provide written documentation from the lender or note holder, then the SELF Loan program may consider the applicant for a loan.

i. Delinquency

The borrower or co-signer must not be currently delinquent in payment of interest or principal on any outstanding SELF Loan. The SELF Loan is not subject to child support holds.

j. Co-Signer

The borrower must have a credit-worthy co-signer as defined by SELF Rules. The SELF Loan does not permit the substitution of co-signers.

k. Release of Consumer Credit Information: Borrower

The borrower must agree to the release of information to a consumer credit bureau reporting agency as specified in SELF Rules 4850.0012, subpart 4.

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4. Co-Signer

a. Citizenship/Residency/Eligibility

The co-signer must be either a U.S. citizen or permanent resident, be at least 24 years old (18 years old if a sibling of the borrower) and must reside in the U.S. If the co-signer is in the U.S. military and is temporarily assigned outside the U.S., a U.S. address must be provided where mail can be sent to the co-signer.

b. Credit-Worthy

A credit-worthy co-signer is one who, based on credit information available to the Agency, has:

- no account balances discharged through bankruptcy;
- no garnishments, attachments, foreclosures, repossessions or suits;
- no more than \$300 combined total in unsatisfied credit or unsatisfied payment obligations including, but not limited to, charged-off loans, credit, medical, utility accounts, collection items, and tax or mechanics liens; and
- no more than five percent of total credit bureau balances past due, unless the amount past due is \$300 or less.

c. Responsibility

The co-signer is jointly and separately responsible for making loan payments (principal, interest and other charges). The co-signer is relieved of this financial responsibility **only** in the event of death or total and permanent disability of the borrower.

d. Release of Consumer Credit Information: Co-Signer

The co-signer must agree to the release of information to a consumer credit bureau reporting agency as specified in SELF Rules 4850.0012, subpart 4.

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E. Postsecondary Institutions Participating in the SELF Loan Program

1. Institutional Responsibilities

The financial aid administrator at each postsecondary institution participating in the SELF Loan program is responsible for seeing that the following requirements are carried out:

a. Certification

Each school participating in the SELF Loan program agrees to perform the certification function for all SELF Loans. Certification means that the school verifies and documents the borrower's identity, eligible enrollment, satisfactory academic progress and cost of attendance; verifies the Maximum Effort Test; and calculates the maximum allowable SELF Loan eligibility. Cost of attendance includes:

- tuition and fees charged for the loan period;
- room and board charged for the loan period, or a reasonable allowance as determined by the school for off-campus living;
- child care expenses;
- technology fees assessed by the institution; and
- reasonable allowance as determined by the school for books, supplies, transportation and personal expenses.

Cost of attendance can include origination or guarantee fees for other student loans. The **gross** amount (the amount borrowed including origination and/or guarantee fees) of other student loans should then be listed as financial aid for the period.

With the Maximum Effort Test, the student must complete the FAFSA and the institution must have awarded all available federal, state, institutional and outside grant aid prior to the student applying for the SELF Loan. Students are not required to apply for loans or work study before applying for SELF. It is not necessary for foreign, undocumented or graduate students to complete the FAFSA.

The school is also expected to determine whether or not the student is in default of previous student loans by:

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- checking loan history at the school;
- checking the borrower’s financial aid transcript (if applicable) from prior school(s) attended or an available national student data base; and
- using any other information reasonably available to the school about the student’s prior student loan history—written, verbal (this includes asking the student) or electronic.

b. Unused Federal Eligibility

The school needs to determine the amount of federal loan eligibility not utilized by the borrower. This would include Stafford, Direct loans (both subsidized and unsubsidized) and Perkins loans. Schools that originate 25 or less loans per year are exempt from providing this information. If the borrower has no unused eligibility, zero must be reported. A blank field indicates the school has not calculated the amount. The number is based on information at the time the SELF Loan is certified. If the borrower later takes out additional federal loans, the school is not required to notify the Agency.

c. Institutional Representative

Each school must designate one school official as the SELF Loan program representative to supervise the following activities related to the program.

The school will:

- counsel students about their responsibilities as borrowers in the SELF Loan program. Counseling options can include meeting individually or in a group with the school’s students who apply for a SELF Loan or utilizing Internet counseling sessions. Meeting with an individual student is preferable; however, when other counseling tools are used, a school official must be willing to meet with students who have questions. The school can decide whether to require counseling only when the first SELF Loan is taken out by a student or to require counseling for each SELF Loan, even for students that use SELF Loans every year. There is no specific requirement that the counseling be entrance or exit;

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- implement procedures that indicate counseling is done regarding a SELF borrower's responsibilities (SELF Exit Forms, Loan Entrance Counseling Form and Statement of Borrower's Responsibilities in Appendices 6, 7 and 8 can be used to assist with this in addition to the online counseling available at www.selfloan.org);
- verify and document Minnesota residency if the student is attending an eligible school not located in Minnesota;
- provide assistance to the student in the proper completion of the SELF application/promissory note. (Schools using the paper application complete the School Section of the application/promissory note after reviewing the Borrower's completed section);
- disburse the loan check or credit the EFT to the borrower's account if he/she is determined eligible;
- document in writing the disbursement date and disbursement amount of the borrower's loan check or electronically transferred funds amount (refer to Appendix 19 for Disbursement Checklist that may be used);
- for schools that do not participate in the National Student Clearinghouse (Clearinghouse), refer to Section L page 44 on how to join the Clearinghouse, within 30 days notify the Servicer when a borrower reduces enrollment below a half-time status or discontinues enrollment. The school should not wait for enrollment verifications;
- for schools that do not participate in the Clearinghouse, complete and maintain copies of the periodic Enrollment Verification Reports produced by the Servicer for the SELF Loan program and return reports to the Servicer within two weeks of receipt;
- ensure that all refunds of school charges due the SELF Loan program (i.e., tuition, room and board) are paid in a timely manner (within 30 days of the student's official date of withdrawal) according to SELF Loan program Rules;
- withhold disbursement of the loan funds to the student if the institutional representative knows at the time of delivery of the loan funds to the school that legal proceedings have begun which will affect a student's enrollment status or academic progress. If the problem is not resolved within 30 days of the

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disbursement date, the funds must be returned to the Servicer with a brief explanation of why the loan was not disbursed;

- provide suggested disbursement dates that coincide with the beginning of the term dates but are not earlier than 10 days before the start of the term. The Agency will reschedule disbursement dates that are more than 10 days before the start of the term;
- maintain documentation related to each borrower which will explain the SELF Loan amount recommended by the school (SELF Loan Worksheet in Appendix 4 can be used for schools that use paper applications); and
- exercise care and diligence in all SELF Loan program required activities.

The school will not collect from borrowers or applicants any additional fees or charges to cover the cost of originating loans under the SELF Loan program.

d. SELFApp (Online Application)

For schools using the SELFApp process, the student applies online at www.selfloan.org. The school either certifies the loan using their school based software or certifies online. The borrower can chose to electronically sign the application or hand sign the application. If the borrower electronically signs the application, the co-signer will have the option to either electronically sign or hand sign. In order to electronically sign, the co-signer will need to pass an authentication examination by answering three or four questions based on the co-signer’s credit and demographic information. If the note needs to be hand signed by any party, the co-signer will print the promissory note after the borrower and co-signer sections have been completed online. After any hand signatures are done, the application needs to be mailed to the Agency. The Agency matches up the electronic certification with the promissory note for processing.

The school must contact the Firstmark School Hotline to utilize the online application.

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There are three primary advantages to the online application:

- a co-signer knows immediately if they qualify; if they don't qualify, the student can apply with another co-signer;
- it relieves the school from having to manually complete paper applications; and
- it gives the Agency cleaner data, reducing the number of returned applications to students for missing or incomplete information.

e. TeleSELF Applications

With the TeleSELF option, the borrower and school information is transmitted electronically to the Agency. Within 48 hours from the time the school transmits data, the Agency will print a TeleSELF Application/Promissory Note and mail it to the borrower. The borrower needs to sign and date the promissory note. The borrower then sends the application/promissory note to the co-signer for completion of the Co-signer's Section. The co-signer sends the Agency the application/promissory note for processing. The auditors do look for documentation in the student's file on how the recommended loan amount was calculated. Appendix 4 can be used to help determine the recommended loan amount.

There are two primary advantages to TeleSELF:

- it relieves the school from having to manually complete paper applications; and
- it gives the Agency cleaner data, reducing the number of returned applications to students for missing or incomplete information.

f. Combination TeleSELF/Paper Application

Another option available is a combination TeleSELF and paper application. With this option, the school has the borrower and co-signer complete a paper application. The school transmits the electronic information and mails the paper application to the Agency at the same time. This option is utilized by schools that want to maintain control of applications being returned to the Agency and/or want the processing time reduced by having all information returned to the Agency at the same time. The

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auditors do look for documentation in the student's file on how the recommended loan amount was calculated.

The Agency does not charge the school any fee for processing TeleSELF applications. If you are interested in finding out more about the TeleSELF or the combination TeleSELF/Paper application process, please contact Sheila Price or Marilyn Kosir (refer to Appendix 3).

g. Paper Applications

The school receives a supply of paper applications from the Agency (see Appendix 13 to order applications). The student completes the Borrower's Section, the co-signer completes the Co-Signer's Section and the school completes the School Section. The school mails the Office of Higher Education copy to the Agency and keeps the School, Borrower and Co-signer's copies. If the borrower or co-signer request their copies, the school can provide them.

Included as Appendix 4 is the SELF IV Loan Worksheet. This optional worksheet can be used to help you complete the School Section of the SELF Loan application. If you have developed your own form, you may use that. The auditors do look for documentation in the student's file on how the recommended loan amount was calculated.

h. Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) is available for the SELF Loan program. Funds are transferred in one lump sum to the school's designated bank account. The school selects to have a paper roster faxed or mailed to the school or to receive an electronic roster through the Internet. Schools can also access rosters through firstmarkservices.com. If the school needs to have a check for a particular borrower, the school can request that the Agency schedule a check instead of EFT. This should be clearly requested in a separate note sent with the application or the school can call the Agency after the application has been submitted. Funds can be returned electronically

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for refunds and cancellations. Agreements must be signed with the Agency for the EFT transfer and return of funds. If you are interested in EFT, please contact Sheila Price or Marilyn Kosir (refer to Appendix 3).

i. Disbursement of the Loan Funds

Each SELF check is made jointly payable to the student and the eligible school. If the loan period covers more than one term and the application is submitted with enough processing time, two or three disbursements will be made. The student’s loan check(s) or EFT amount(s) will be sent or wired to the school on the scheduled disbursement date(s) indicated on the student’s SELF Repayment Schedule and Disclosure Statement.

If a student decides within 30 days after disbursement that he/she doesn’t want the loan, he/she can return the funds and send a letter to Firstmark requesting cancellation of the loan. All interest charges within the 30 days will be waived.

If the student is no longer enrolled on at least a half-time basis when the loan funds are received and the loan period covers more than one term, the school can disburse a portion of the loan proceeds to cover prior term(s) within the loan period as long as the borrower maintained at least half-time enrollment during the entire previous term(s). The school should only disburse funds to cover amounts owed to the school for completed terms and requested living and miscellaneous expenses for the completed terms. Refer to the example in this section under “Disbursement After the Borrower Withdraws.”

All SELF funds must be disbursed to the student or the student’s account within 30 days of the date of the check or the date of the funds transfer or the funds need to be returned to the Servicer. Interest will be billed to the student if funds are returned after 40 days.

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j. Return of Loan Funds

Refer to Appendix 2 for the Servicer’s address to return SELF Loan funds. When returning funds to the Servicer, please include information on why funds are being returned since this can affect action that will be taken on the loan. Listed below are some of the common reasons to return funds and actions that will result:

- **Withdrawal** – account will be taken out of in-school status and put in the grace status. Future disbursements will be canceled.
- **Borrower doesn’t want the funds** – account will remain in the in-school status. Future disbursements will not be canceled unless requested by the school or the borrower.
- **Enrollment has dropped below half-time** – account will be taken out of in-school status and put in the grace status. Future disbursements will be canceled.
- **Not making satisfactory progress** – account will remain in the in-school status. Future disbursements will not be canceled unless requested by the school or the borrower.

Sample EFT and check return forms are included in Appendices 14 and 15.

k. Disbursement When Funds Arrive Before the Loan Period

SELF Loan funds cannot be requested earlier than 10 days before the start of the loan period. If the school disburses funds directly to the student before the start of the loan period and the student officially withdraws before the start of the loan period, the school will be responsible for returning the entire SELF disbursement to the Servicer within 30 days. The school must verify the student’s enrollment and satisfactory academic progress. A jointly payable check must be endorsed by both the student and the school. The school must subtract from the proceeds the amount owed for the payment period and make arrangements with the student for the use of any remaining funds. The remaining funds will be returned to the student in a timely manner or retained on account with the permission of the student. The school may not keep on account any more money than it charges for the payment period without the written

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permission of the student. If the student does not sign the SELF check within 30 days of the date on the check, the SELF disbursement must be returned to the Servicer.

All SELF funds must be disbursed to the student or the student's account within 30 days of the date of the check or the date of the funds transfer or the funds need to be returned to the Servicer.

I. Disbursement When Funds Arrive During the Loan Period

When SELF Loan funds arrive during the loan period, the school must verify the student's enrollment and satisfactory academic progress; endorse the check along with the student, if a check is used, and subtract from the proceeds the amount owed the school for the payment period; and make arrangements with the student for the use of any remaining funds. The student has the same options for receiving any remaining funds as described in the section of this manual entitled "Disbursement When Funds Arrive Before the Loan Period." If the student is on a school approved leave of absence when the funds arrive and is due to return to school within 30 days from the date on the check or receipt of EFT funds, the school may hold the funds until the student returns. If the student fails to return, the funds must be returned to the Servicer within 30 days from the date on the check, if a check is used, or the date of the funds transfer, if EFT is used. The school may keep funds for any completed terms included in the disbursement. If the student does not sign the check within 30 days of the date of the SELF check, the check must be returned to the Servicer.

If the check or EFT payment is for two or more terms within the loan period, the school can only disburse funds for completed terms and the current term the student is enrolled in after satisfactory progress has been verified. The remaining balance can be held for up to 30 days or returned to the Servicer.

All SELF funds must be disbursed to the student or the student's account within 30 days of the date of the check or the date of the funds transfer or the funds need to be returned to the Servicer.

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m. Disbursement When Funds Arrive After the Loan Period

When the funds arrive after the loan period, the school must verify the student’s enrollment and satisfactory academic progress and disburse the funds within 30 days from the end of the loan period. The school will subtract from the proceeds that amount owed to the school for the payment period and make arrangements with the student for use of any remaining funds. The student has the same options for receiving any remaining funds as described in the section of this manual entitled “Disbursement When Funds Arrive Before the Loan Period.” If the funds arrive more than 30 days after the end of the loan period, the school must return the funds to the Servicer.

All SELF funds must be disbursed to the student or the student’s account within 30 days of the date of the check or the date of the funds transfer or the funds need to be returned to the Servicer.

Schools can disburse the SELF Loan up to 30 days after the end of the loan period to students that have graduated. Graduation needs to have been no more than 30 days prior to the disbursement date.

n. Disbursement When Borrower Not Available to Personally Endorse the SELF Check: Power of Attorney

If a check is used to disburse loan funds, the SELF Loan check is made jointly payable to the school and the borrower. Both parties must endorse the check. If the borrower is in an approved off-campus program and is not available to personally endorse the check, the school may mail the check to the student to obtain his/her signature or the borrower may prearrange to provide the school with a notarized power of attorney form. The power of attorney authorization empowers some individual (e.g., the co-signer, parent or spouse) to sign the SELF check on behalf of the borrower so that the check can then be endorsed by the school and cashed.

The signature of the borrower on the Power of Attorney form must be notarized and copies must be made for:

- each check involved,

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- the borrower, and
- the person to whom the power is given.

A copy of the Power of Attorney Form must be stapled to each check when it is sent by the school to the bank for payment. The original of the form should be filed in the financial aid office and be available to an Agency auditor upon request. A sample power of attorney form for endorsing SELF checks is included in Appendix 9.

o. Leave of Absence

A leave of absence is a period of time approved by the school during which the student is not in attendance but is considered to be enrolled. Each school is required to have a formal leave of absence policy, the student must follow that policy when requesting a leave of absence and the school must have approved the student's request in accordance with its policy. A student may take a leave of absence from a school for not more than a total of 180 days in any 12-month period.

One subsequent leave of absence may be granted if (1) the subsequent leave does not exceed 30 days, (2) the institution determines that the subsequent leave of absence is necessary due to unforeseen circumstances and (3) the total number of days of all leaves of absence does not exceed 180 days in any 12-month period.

Subsequent leaves of absence may be granted for documented jury duty, military reasons or circumstances covered under the Family and Medical Leave Act of 1993, provided that the total number of days of all leaves of absence does not exceed 180 days in any 12-month period.

Note: A leave of absence need not consist of consecutive days when granted.

If a student does not return at the expiration of an approved leave of absence, the student is considered to have withdrawn on the day the student began the leave of absence.

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For purposes of the disbursement of SELF funds to a borrower on an approved leave of absence, see “Disbursement When Funds Arrive During the Loan Period.”

For purposes of maintaining in-school repayment status while on an approved leave of absence, the Agency assumes students on approved leaves of absence to be eligible for in-school repayment status. Borrowers not in an approved leave of absence will be moved to the Transition Phase of repayment effective the date their enrollment ceased to be half-time or more.

p. Non-Enrollment

If a student fails to enroll, the school must return the funds to the Servicer within 30 days of the date on the check, if a check is used, or the date of the funds transfer, if EFT is used.

q. Withdrawal and Transfer to Another Eligible School

If the student fails to complete the loan period at the school where the application was certified and transfers to another eligible school, any pending loan disbursements to the student must be canceled. Schools not participating in the Clearinghouse must notify the Servicer within 30 days of any borrower who withdraws for any purpose. If there is a refund due the student, the school should return funds to the Servicer in accordance with the Office of Higher Education Refund Calculation Worksheet (a copy is included in Appendix 10). If adequate time and minimum loan eligibility (\$500) remains, the borrower may apply for a new loan at the new school if the new school participates in the SELF Loan program.

In order for the student’s “in-school” payment period to continue, the new school must participate in the SELF Loan program. A list of participating SELF schools is available at www.selfloan.org. If the borrower transferred to a school which does not participate in the SELF Loan program, the borrower must enter the “transition period.” During the 12-month “transition period,” the borrower must make monthly rather than quarterly interest payments.

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r. Disbursement After the Borrower Withdraws

If the student is no longer enrolled on at least a half-time basis when the loan funds are received and the loan period covers more than one term, the school can disburse a portion of the loan proceeds to cover prior term(s) within the loan period as long as the borrower maintained at least half-time enrollment during the entire previous term(s). The school should only disburse funds to cover amounts owed to the school for completed terms and requested living and miscellaneous expenses for the completed terms.

If one check or EFT transfer is received that covers more than one term, the funds received divided by the number of terms is the maximum amount the school can disburse per term completed. The school cannot use the full disbursed amount to cover one term. For example, a borrower who was enrolled at least half-time in a semester school submits an application on February 10, 2009, with a loan period from September 1, 2008, to May 31, 2009, and the second semester started January 25, 2009. The funds arrive at the school on February 14, 2009, and still haven't been disbursed when the student withdraws on February 18, 2009. The school can disburse funds up to half of the disbursed amount, since there are two terms, to cover amounts owed to the school from the first semester. However, no funds can be kept for charges for the second semester. If the borrower requests funds to cover miscellaneous living expenses for the first semester, those funds can be disbursed to the student. It is in the best interest of the student to minimize the amount borrowed.

If the SELF check or EFT covers only the one term from which the student withdrew, the school cannot disburse the funds and must return the SELF check or EFT to the Servicer.

s. Reinstatement of a Canceled Loan

A reinstatement of a canceled loan can occur as long as the borrower still qualifies for the loan. The school should contact the Firstmark School Hotline at (888) 756-0075 or (651) 265-7689 to request the reinstatement. If the cost of attendance, financial aid

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received or the loan period changed, new information must be provided to Firstmark. The loan period cannot be extended more than 60 days without the Agency receiving authorization from the co-signer in order to ensure that the co-signer is still willing to be responsible for the loan. Upon the school's request for reinstatement of the loan, Firstmark will reinstate the loan if it is within 60 days of the original loan period end date. If the loan period change exceeds 60 days after the end of the original loan period, Firstmark will refer the request to the Agency and the Agency will send an authorization request to the co-signer. Upon return of the request, the reinstatement will be done. It will be the borrower's responsibility to ensure that the co-signer returns the form to the Agency.

2. Monitoring of SELF Borrowers

a. Enrollment Verification Reports

Schools that do not participate in the Clearinghouse must complete and return the periodic SELF Enrollment Verification Reports (EVR) issued by the Servicer. These reports request information on borrowers' enrollment status and expected graduation date. These reports must be returned to the Servicer within two weeks of receipt. The school should maintain copies of the EVR reports for audit purposes. The SELF Loan program may suspend a school from the program if it fails to complete these reports.

b. Servicer Notification

Schools that do not participate in the Clearinghouse must notify the Servicer within 30 days when it becomes aware of any changes in the student's status that may affect his/her program eligibility. Examples of student status changes affecting SELF eligibility include dropping below half-time status, withdrawal from school or graduation. Refer to Appendix 16 for a sample enrollment form.

Schools that do not participate in the Clearinghouse must establish a method of informing the financial aid office of all student status changes affecting SELF eligibility. This requirement can be ensured if the financial aid office is routinely notified by the registrar's office when any change in a student's academic status occurs

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and if all students who withdraw from school are sent to the financial aid office for clearance. Schools should also compare their lists of students registering for each term and receiving grades for each term with their lists of SELF Loan recipients.

c. Admission and Registration Records

Each school must keep admission and registration records that support the eligibility of each student borrower. The financial aid administrator should refer to these records when completing the School Section of the application form and when disbursing SELF funds to the student.

F. Loan Terms and Requirements

1. Loan Amount Limitations

The financial aid administrator at the eligible school the student attends or plans to attend must determine the maximum amount a student can borrow in the SELF Loan program. The loan amount cannot exceed the cost of attendance minus other financial aid that the student will receive for the term(s) covered by the loan period. The cost of attendance includes:

- tuition and fees charged for the loan period;
- room and board charged for the loan period or a reasonable allowance as determined by the school for off-campus living;
- child care expenses;
- any technology fees assessed by the institution; and
- a reasonable allowance as determined by the school for books, supplies, transportation and personal expenses.

The cost of attendance can include origination or guarantee fees for other student loans. The **gross** amount (the amount borrowed including origination and/or guarantee fees) of other student loans should then be listed as financial aid for the period.

The student need not borrow the full amount for which he/she is eligible, but must borrow at least \$500.

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2. Maximum Loan Amount

The maximum SELF Loan amount for an undergraduate student is \$7,500 per academic year. Graduate students can borrow up to \$9,000 per academic year. The loan amount cannot exceed the cost of attendance less all other financial aid, including Federal PLUS loans borrowed on the student's behalf. PLUS loans are considered financial aid because they benefit the student. A student who advances a grade level in the middle of an academic year may borrow at that new grade level as long as the cumulative SELF Loan debt maximum for that new grade level is not exceeded.

The cumulative SELF Loan debt cannot exceed the following grade level limitations:

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| Grade level 1: | \$ 7,500 |
| Grade level 2: | \$15,000 |
| Grade level 3: | \$22,500 |
| Grade level 4: | \$30,000 |
| Grade level 5: | \$37,500 |
| Graduate (Grade levels 6-10): | \$55,500 |

Schools can access information on borrowers' SELF Loans through Firstmark's FirstDegree web site product. If your school would like to sign up for FirstDegree, please call the Firstmark School Hotline at 888-756-0075. Refer to Appendix 18 for reports available on FirstDegree. When the loan is ready to be approved by the Agency, the student's previous SELF debt will pre-populate so it is not necessary for the school to complete this information. The school can use FirstDegree to see the student's SELF debt in order to determine if the student is eligible for a SELF Loan at the amount requested to avoid the Agency denying or reducing the loan.

3. Grade Level

Grade level indicates the relative status of an eligible student in a degree or certificate granting program and usually corresponds to an academic year. Example: an eligible student in the second year of a four-year program would be in grade level 2. When indicating the student's grade level on the SELF application form, the financial aid

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administrator is to use the student’s grade level as determined by the school’s registrar or comparable school official or the grade level definition listed in the institutional catalog.

The school must have written definitions of grade level classifications in order to identify what standards are used to qualify a student’s movement from one grade level to the next for SELF Loan eligibility. Agency auditors will verify that the school does have written definitions for grade level classifications and will cite schools that are not in compliance with this requirement.

For the SELF Loan application, this can be the grade level as of the date of the application or, for a SELF Loan with a loan period equal to the institution’s academic year, it can be the grade level the student is expected to complete at the end of the first term of the loan period. The school can, on an individual student basis, determine which grade level they prefer to use. Example: an institution classifies a student as a grade level 2 if he/she satisfactorily completes 48 quarter hours. If the student had completed 46 credits and was applying for a SELF Loan for the next academic year, the institution would be able to, at their option, classify the student as a grade level 2 if the student had registered for at least two credits.

If at the end of the first term the borrower did not earn the higher grade level as expected, the school should cancel or return future disbursements until the higher level is earned. Refer to Section F (7), New Grade Level: Middle of Academic Year for additional examples.

For clock hour schools, if you have a program that is 1,000 hours and your policy indicates that 900 hours is grade level 1 and 900-1,800 hours is grade level 2, you can certify a grade level 1 application to cover the 900 hours and then later submit a grade level 2 application for 100 hours as long as the minimum loan amount is \$500, the loan period is at least 30 days and your cost of attendance and financial aid information cover only the 100 hours.

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Note: All new students at a school are a grade level 1 regardless of the number of years of prior postsecondary education, unless credits are transferred in to move the student to a higher grade level according to the school's grade level definition.

4. Minimum Loan Amount

The minimum loan amount for all students is \$500.

5. Multiple Loans: Same Academic Year

A student may borrow more than once in the same academic year as long as:

- financial eligibility remains;
- the annual borrowing maximum (i.e., \$7,500 for undergraduate students, \$9,000 for graduate students) is not exceeded; and
- the amount approved is at least \$500.

6. Multiple Loans: Same Grade Level

A student may borrow the maximum loan amount (i.e., \$7,500 for undergraduate students, \$9,000 for graduate students) twice in the same grade level as long as:

- a total of 11 months elapses from the beginning of the first loan period to the beginning of the second loan period, and
- the cumulative loan debt maximum for that grade level is not exceeded.

Note: Because the aggregate borrowing maximum for grade level 1 is \$7,500 and the annual borrowing level for an undergraduate student is also \$7,500, it is **NOT** possible to borrow the annual amount twice in grade level 1.

7. New Grade Level: Middle of Academic Year

A student who advances a grade level in the middle of an academic year may borrow at that new grade level as long as the cumulative SELF Loan debt maximum for that new grade level is not exceeded. In calculating SELF eligibility, you must include as financial aid for the new grade level any SELF Loans that were already approved for the loan period even though the previous application may have been at a lower grade level.

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For students who you expect might be able to change grade levels mid-year, we suggest one of the following options:

- a. Complete the application using the grade level the student is expected to be at the end of the first term of the loan period. Refer to the example under the Section F (3) for Grade Level.

- b. Do two loan applications for the year; one for the existing grade level and one for the new, higher grade level when it is achieved. For semester schools, you would restrict the student's loan period to a half-year or single semester on the first application. If, for example, you think the student will advance a grade level in the spring term, you could limit the loan period and accompanying costs and financial aid to the first semester. Then, at the spring semester, if he/she does advance a grade level, you can do a second SELF Loan application at the new grade level just for the spring semester using spring semester costs and spring semester financial aid. Schools using quarters need to determine when the student advances to a new grade level, apply for a short loan period and then apply again at the new grade level with a different loan period.

- c. Wait until the student advances the grade level. Then do a single SELF application for the whole year at the new, higher grade level. The disadvantages are the student will have to wait for the money and the student will exhaust their eligibility at the higher grade level sooner. Using option b. above will allow the borrower to exhaust eligibility at the lower grade level before borrowing at the higher grade level.

If a school that is normally classified as a two-year school offers programs that are longer in length than two years, students can be classified as third year students. For instance, students enrolled in a seven-quarter program at a two-year school could be considered third year students for that seventh quarter. The cost of attendance for the seventh quarter could only be based on one quarter and not a full year. The program has to officially last over two years. This cannot be utilized for students who take seven quarters to complete a normal six-quarter program.

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8. Loan Terms/Requirements

a. Loan Periods

Students enrolled in vocational programs can borrow up to three academic years, while students enrolled in academic programs can borrow for up to eight academic years. For example, if a student borrows under SELF for two years for an academic program of study, drops out and then enrolls in a vocational or proprietary program, that student has only one year of SELF eligibility remaining. The loan period must be at least 30 days in length, but cannot exceed 12 months.

b. School Responsibilities

The school deducts all school charges due upon receipt of the loan funds. The school's payment schedule for SELF borrowers must not be more stringent than for non-borrowers.

9. Reporting Requirements

All SELF borrowers are to immediately notify the Servicer if they:

- withdraw from school,
- drop to less than half-time status,
- transfer to another school,
- change their address, or
- change their name.

10. Interest Rate

The interest rate for Phase III and Phase IV loans is calculated every calendar quarter and the rate will vary throughout the life of the loan. The rate is calculated the first day of each calendar quarter (January 1, April 1, July 1 and October 1) by adding a fixed percentage (the "margin") to the arithmetic average of the three-month London Interbank Offered Rates (LIBOR) rate for the previous calendar quarter (the "index") rounded to the nearest tenth of one percent. As the index and/or margin increases or decreases over time, the interest rate charged to the borrower likewise increases or decreases. There is a requirement

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that the interest rate cannot increase or decrease by more than 3 percent during any four consecutive calendar quarters.

The SELF IV interest rate for the second quarter of calendar year 2008 was calculated as follows:

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| Average three-month LIBOR rate | | 3.3% |
| (Plus) the “margin” | + | 2.7% |
| Equals | = | 6.0% |

Current and historical interest information is available at www.selfloan.org.

11. Guarantee Origination/Fee

Currently, no guarantee or origination fees are assessed the borrower. The Agency reserves the right to reintroduce a guarantee fee on new loans made. If the Agency reinstates a guarantee fee, it will NOT be applied retroactively.

12. Disbursement Scheduling

Schools cannot request funds more than 10 days before the start of the loan period. Checks are made jointly payable to the borrower and the eligible school. If the loan period covers more than one academic or payment period and processing time permits, the loan will be disbursed in installments during each academic or payment period. For example, if an eligible school’s academic year is divided into quarters, the student’s loan amount must be disbursed in three installments, once each quarter.

Disbursement requirements for clock hour schools:

- One disbursement for programs less than 400 hours;
- Two or more disbursements for programs 400 hours or more within one academic year. Half the hours must be completed before a second disbursement can be made; and
- Additional program hours in the second academic year follow above hour guidelines.

If there are special circumstances that warrant the borrower receiving the entire loan in one disbursement, please make a note on the application so the Agency is aware of the reason

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for the request. Examples of special circumstances include study abroad expenses, required purchase of specialized tools and flight training expenditures.

13. Loan Cancellation

If a student wishes to cancel his/her SELF Loan, the school or student should contact the Servicer. Refer to Appendix 2 for Servicer information.

If the student's SELF disbursement arrives at the school and the student wishes to cancel the loan, the student or school should return the funds to the Servicer within 30 days of the date of the check or EFT with an explanation regarding the cancellation. If the student only wants to return the first disbursement but still wishes to receive subsequent disbursements, that information needs to be provided to the Servicer.

If a co-signer decides he/she no longer wants to co-sign the loan, he/she should immediately contact the Agency. If there is enough time to cancel disbursements, the Agency will cancel any remaining disbursements.

14. Repayment Procedures

a. In-School Period

Borrowers pay accrued interest on a quarterly basis while in school. Interest payments start within 90 days of the disbursement of the loan funds.

b. Transition Period

Borrowers who make monthly interest payments during the first 12 months after graduation or termination of study are considered to be in the "transition period."

c. Repayment Plans/Repayment Period

There are two repayment plans: the Standard Plan and the Extended Interest Plan.

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- **Standard Plan**

In the Standard Plan, the borrower makes monthly payments of interest only for 12 months. Then repayment of principal and interest starts the 13th month after graduation or termination of study.

- **Extended Interest Plan**

In the Extended Interest Plan, the Transition Period (where interest only is paid monthly) is extended up to an additional two years if the borrower is not required to start repayment, so the borrower makes monthly interest-only payments for a total of three years instead of one year. With the Extended Interest Plan, repayment of principal and interest starts in the 37th month after graduation or termination of study.

Borrowers will be mailed notification of possible repayment options and an Extended Interest Option Form near the end of the Transition Period, but before entering the Repayment Period. If the borrower completes and returns the form within the allowed time, the borrower will be placed in the Extended Interest Plan. Those who do not return the Extended Interest Form will remain in the Standard Plan. **The Extended Interest Plan does not extend the term of repayment.** During repayment, the borrower must pay a total of at least \$600 per year on all his/her SELF Loans. If the borrower's spouse also has SELF Loans, their combined annual payments on all SELF Loans must be at least \$600. There is no penalty for prepaying loans.

For SELF Loans from phases starting with SELF IV, if the aggregate principal balance of all SELF Loans is less than \$18,750, the maximum repayment period will be 10 years from the end of the "in-school" status. For SELF Loans from phases starting with SELF IV, if the aggregate principal balances of all SELF Loans is \$18,750 or greater, the maximum repayment period will be 15 years from the end of the "in-school" status. All SELF IV Loans will enter repayment no later than seven years after the first disbursement date on the loan.

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Once the borrower enters the Transition Phase or the Repayment Phase, the borrower can return to in-school status as long as he/she returns at least half-time to a SELF participating school within three years of the separation date and has not started a required Repayment Phase. The separation date is the date the borrower graduated, left a SELF member school or enrollment dropped below half-time. Borrowers can view their separation date at FirstTrack at www.firstmarkservices.com under general loan information. The repayment term is not extended. The borrower needs to contact the Servicer to obtain a form requesting return to the in-school status. The form needs to be completed and returned to the Servicer, interest paid to date by the borrower and a school enrollment verification done by the Servicer before the loan will be returned to in-school status. Included in Appendix 16 is an enrollment report the school can send to the Servicer if a borrower wants to return to in-school status. The borrower still needs to pay any outstanding interest.

The borrower can change from the Standard Repayment Plan to the Extended Interest Plan as long as eligibility remains. The borrower will only be able to utilize the Extended Interest Plan for any months remaining within the three years from the date of separation.

d. Combined Billing

All of a borrower's SELF Loans will be combined into one billing statement with one due date unless the borrower requests different due dates.

e. Late Payments

Borrowers may be penalized for late payment with a \$5.00 late charge for payments of principal or interest received by the Servicer more than 15 days after the scheduled due date.

If a SELF Loan is 60 days or more past due, the delinquency is reported to the credit bureau for both the borrower and co-signer.

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f. Interest Capitalization

Interest payments during the in-school period that are delinquent in excess of 120 days may be capitalized by the Servicer. Capitalization of past due interest is limited to 180 days of interest.

g. Forbearance

The Agency will grant a forbearance when a borrower experiences hardship in making payments of principal and/or interest when the co-signer has either died or become permanently disabled, or for some other reason (i.e., unemployment, limited fixed income, etc.) has demonstrated an inability to make payment. Such a forbearance will be granted for documented unemployment or similar financial hardship cases. Both borrower and co-signer are required to provide information on the forbearance request form. The forbearance is limited to a 120-day period. Upon further documentation, the forbearance may be renewed for another 120 days. A borrower may be granted only two forbearance periods (i.e., a total of 240 days) over the life of the loan. A good faith payment of \$25.00 is required with each forbearance.

h. Default

If the borrower is delinquent in payment beyond 120 days or has failed to meet any of the other conditions of the loan, the loan will default. If a loan goes into default, the Agency will take one or more of the following actions:

- work to effect repayment through the Minnesota Revenue Recapture Act. Under this law, the borrower's and/or co-signer's state income tax refunds, property tax refunds, special rebates or refunds, and lottery winnings can be diverted to repay amounts owed to the state;
- take legal action against the borrower or co-signer for repayment;
- report the borrower's and co-signer's default to the credit bureau;
- use collection agencies to recover defaulted loans;
- add collection fees to the defaulted balance; and
- withhold Minnesota state grant awards and certain other types of aid.

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i. Bankruptcy

Federal bankruptcy laws exclude from discharge student loans made by a state agency except in the case where hardship circumstances are approved by the court. If a borrower is adjudicated bankrupt and has liability for the SELF Loan discharged, the co-signer, if not part of the bankruptcy, remains liable for unpaid principal and interest.

j. Death and Disability Provisions

If the borrower dies, the borrower's and the co-signer's obligation to pay principal and interest is canceled as of the date documentation of the death is received by the Agency. If your school becomes aware of the death of a borrower, please contact the Agency immediately so a hold can be put on the account for any collection letters or phone calls. The loan cannot be canceled until a certified copy of the death certificate is received by the Agency or the Servicer.

If the co-signer dies, the borrower is still responsible for repayment. If the co-signer dies and the borrower defaults, the Agency retains the right to require the co-signer's estate to pay the loan.

If after disbursement of the loan the borrower becomes totally and permanently disabled, the borrower and co-signer's obligations to make any further payment of principal and interest on a SELF Loan are canceled as of the date medical documentation is received and accepted by the Agency. Totally and permanently disabled means the inability to engage in any gainful employment activity because of a medically determinable impairment which is expected to continue for a long and indefinite period or to result in death. This disability must have occurred after the loan was fully disbursed.

If after disbursement of the loan the borrower becomes temporarily totally disabled, the borrower may be eligible for a temporary disability status. Upon acceptable medical documentation, no interest will accrue and no payments will be required. The anticipated disability status must be a minimum of four months. The status can be

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renewed for up to one year at a time with a maximum of no more than three years. At the end of the nonaccrual of interest period, payments must be resumed at an amount necessary to repay the loan in the time period required by the promissory note unless a payment extension agreement has been signed.

If after disbursement of the loan the co-signer becomes totally and permanently disabled, the co-signer's obligations to make any further payment of principal and interest on a SELF Loan are canceled as of the date medical documentation is received and accepted by the Agency. This disability must have occurred after the loan was fully disbursed. The borrower is still responsible for repayment.

G. SELF Appeals Process

Included in Appendix 12 is a copy of the SELF Loan program Servicing Appeals Process. Appeal information is sent to borrowers with the Truth-In-Lending Disclosure Statement. The appeal process is to be followed if the borrower or co-signer has a problem with the Servicer.

H. State Audits

1. General Requirements

Agency auditors or auditors designated under Minnesota Statute 136A.1313 will periodically visit participating institutions to perform an audit. Each participating institution must establish a procedure by which an auditor can conduct an audit by going to no more than three administrative offices within the school. In most cases these will be the Financial Aid Office, the Business Office and the Registrar's Office, but that choice is made by the school.

All pertinent books, documents, papers and records for audit and examination must be available to auditors for three years after the last day of a fiscal year or until audit exceptions for the period are resolved.

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2. Student Eligibility

The institution must have written documentation to support the student's eligibility, including the following:

- that each student borrower attending an out-of-state eligible institution was an eligible Minnesota resident;
- that each student borrower was enrolled at least half-time from the date of loan application through disbursement of SELF funds (the actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the registrar's office or other responsible department within the institution);
- that the student was properly enrolled and making satisfactory academic progress as defined by the institution at the time of loan application and disbursement of SELF funds. The satisfactory progress determination should be based on the last review done prior to the current term. It is recommended that the school utilize the federal definitions for satisfactory progress which are found in Federal Regulations 34 CFR 668.16(e), 668.34, and 668.43(c)(2);
- that a reasonable cost of attendance was documented for each student (the institution may use a documented, standardized cost of attendance if it wishes);
- that the borrower was eligible for the loan amount recommended by the institution; and
- the date of disbursement to the borrower.

The institution must document the date of disbursement to the borrower.

Within 30 days of receipt of the loan funds, the financial aid office must:

- verify the enrollment and satisfactory progress of the borrower (the school is liable to the SELF Loan program for funds delivered to students who were not properly enrolled). The satisfactory progress determination should be based on the last review done prior to the current term;
- deliver a loan check or transfer funds electronically to the borrower if he/she is eligible; and
- return SELF Loan funds to the Servicer for those borrowers not currently eligible.

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Refer to Appendix 19 for a Disbursement Checklist that can be used by schools to ensure all the required steps have been taken prior to disbursing the SELF Loan.

3. Refunds

The proper refund amount must be calculated according to the Agency regulations governing the SELF Loan program and returned to the Servicer within 30 days. Written documentation of the refund calculation should be retained in the student's file at the school (sample Office of Higher Education Refund Calculation Worksheet in Appendix 10).

The school is generally not required to issue a refund to SELF when unanticipated aid comes in after the SELF Loan has been disbursed. If the additional aid results in a refund, the refund should be returned to the SELF Loan program rather than the student. The school may also reduce future disbursement amounts of that SELF Loan.

I. Summary of State Audit Requirements for the SELF Loan Program

Each institution must be able to produce the following for auditors:

- individual student financial aid files for SELF borrowers;
- copy of the electronic certification or worksheet used for TeleSELF applications (if using a worksheet include the cost of attendance, financial aid awarded, grade level and SELF amount recommended);
- written definition of full-time student;
- written definition of half-time student;
- written definitions of grade level classifications in order to identify what standards are used to qualify a student's movement from one grade level to the next for SELF Loan eligibility;
- written documentation/verification of borrower's enrollment status on at least a half-time basis;
- written documentation/verification supporting budgetary attendance costs of borrowers;
- procedures that indicate counseling is done regarding a SELF borrower's responsibilities;

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- written documentation of each student’s SELF Loan disbursement, including the date of disbursement and a dollar amount disbursed (refer to Appendix 19 for Disbursement Checklist that may be used); and
- copies of enrollment verification reports sent by the Servicer to schools that do not participate in the Clearinghouse (keep for three years after the last day of a fiscal year or until audit exceptions for the period are resolved).

J. Agency Web Site Information and Agency Contact Information

The following information is currently available on www.selfloan.org:

- SELFApp online application;
- current and historical SELF interest rates;
- list of participating SELF schools;
- SELF Online Counseling;
- SELF Loan calculator;
- SELF brochure, fact sheet and checklists; and
- link to Firstmark’s Web site.

Included in Appendices 1 and 3 is contact information for the SELF Loan Department.

K. Online Counseling

SELF Online Counseling is available on www.selfloan.org. Online counseling is not required to be used. It is an option that can be used to fulfill counseling requirements. The counseling takes about 20–30 minutes to complete. The student reviews information on the SELF Loan program and then takes a 20-question quiz. If the student misses any questions, the text and the question along with the correct answer will appear. The student will have two opportunities to review and retake questions relating to the missed text. If, after three attempts, the student still has not passed all questions in the quiz, the student will be advised to review the information carefully before retesting. If multiple students try and take credit for taking one quiz, the counseling message will state “Invalid Quiz Duplication.”

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If your school is interested in participating in SELF Online Counseling, please contact Sheila Price or Marilyn Kosir to request your assigned logon and password. (Refer to Appendix 3.)

After you have your logon and password, you can complete the school information page. If your school utilizes the online application, within the Add/Update School Info setup page you can select an option that requires students to complete online counseling prior to applying online. Selecting this option eliminates the need for schools to verify that students completed counseling. The school administration page is located at:

www.ohe.state.mn.us/hesod/admin/de_schools1.cfm

You will see a list of schools. After selecting your school, you will be asked to enter your logon and password. The school's name and fice code are already entered and can only be changed by Agency staff. If your school decides to discontinue participation in the electronic counseling, please contact the Agency.

You will need the following information to complete the form:

- A contact person's name, phone number, e-mail address and fax number. This information will be used to communicate with your school if there are problems with the Web site that you should be aware of or if there are problems in getting your students' responses to you. This information is available to the Agency and is not viewed by students.
- An e-mail address to send the counseling confirmations to. This can be a general e-mail address for the financial aid area or an individual's e-mail address. You can have the e-mails sent to more than one person.
- A school address and financial aid phone number which will appear on the Web site.

Schools can create a customized page with more specific information on your school and a place for your school logo or campus image to appear. The customized page can be created initially or be added and/or modified at a later date.

Schools will select whether to receive confirmations individually as students complete counseling, batched daily or batched weekly. The option initially selected can be changed at

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any time by the school. For the confirmation, students will be asked but are not required to provide name, social security number and e-mail address. If students do not provide this information, the school may not be able to process the confirmations.

Because the confirmation contains private data, the information will be provided to you through a secured method. The Agency will e-mail the school that students have completed counseling. You would go to the same secured Web site where you signed up to participate in SELF counseling, www.ohe.state.mn.us/hesod/admin/de_schools1.cfm, to enter your logon and password. You would select the option of viewing “Counseling Completions.” You can select whether to review the counseling that was completed today, within the last week, the last month, the last three months or the last year. You can choose to view it chronologically, alphabetically or in social security number order. The school is not required to keep counseling documentation in individual files. The SELF Loan program only requires that the school provide counseling services.

L. Clearinghouse Information

If your school is interested in joining the National Student Clearinghouse, please call (703) 742-7791 for more information. There is no charge for schools to join the Clearinghouse.

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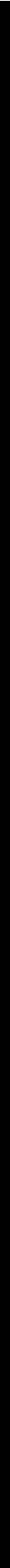
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136A.15 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 136A.15 to 136A.1702, the terms defined in this section have the meanings given them.

Subd. 2. **Academic year or its equivalent.** “Academic year or its equivalent” shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and title IV of the Higher Education Act of 1965.

Subd. 3. **Office.** “Office” means the Minnesota Office of Higher Education.

Subd. 4. **Director.** “Director” means the director of the Minnesota Office of Higher Education.

Subd. 5. **Province.** “Province” means the Canadian province of Manitoba.

Subd. 6. **Eligible institution.** “Eligible institution” means a postsecondary educational institution that (1) is operated or regulated by this state or the Board of Regents of the University of Minnesota; (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state; (3) is licensed or registered as a postsecondary institution by the office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

Subd. 7. **Eligible lender.** “Eligible lender” means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

Subd. 8. **Eligible student.** “Eligible student” means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state or province. Eligible student, except for purposes of section 136A.1701, includes parents of an

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eligible student as the term “parent” is defined in the Higher Education Act of 1965, as amended, and applicable regulations. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term “auxiliary” is defined in the Higher Education Act of 1965, as amended, and applicable regulations. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (b), to a consumer credit reporting agency.

Subd. 9. **Minnesota resident.** “Minnesota resident” means a student who meets one of the following conditions:

- (1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term;
- (2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;
- (3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student’s period of attendance at the Minnesota high school and the student is physically attending a Minnesota postsecondary educational institution; or
- (4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

History: 1967 c 615 s 1; 1967 c 894 s 2; 1973 c 605 s 3,4; 1975 c 271 s 6; 1981 c 300 s 2; 1983 c 258 s 46; 1Sp1985 c 11 s 47; 1989 c 293 s 33-35; 1990 c 591 art 6 s 5; 1994 c 532 art 2 s 10; 1995 c 212 art 3 s 32,33,59; 2005 c 107 art 2 s 60; 2006 c 282 art 8 s 4; 2007 c 144 art 2 s 25,26

136A.16 POWERS AND DUTIES OF OFFICE.

Subdivision 1. **Designation.** Notwithstanding chapter 16C, the Minnesota Office of Higher Education is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The office may establish one or more loan programs.

Subd. 2. **Rules.** The office shall adopt policies and prescribe appropriate rules to carry out the purposes of sections 136A.15 to 136A.1702. The policies and rules except as they relate to loans under section 136A.1701 must be compatible with the provisions of the National Vocational Student

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Loan Insurance Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.

Subd. 3. **Loan amounts.** The office may make loans in amounts not to exceed the maximum amount provided in the Higher Education Act of 1965 and any amendments thereof except that the limitation shall not apply to loans under section 136A.1701. The office may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. **Lenders.** The office may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the office.

Subd. 5. **Agencies.** The office may contract with guarantee agencies, insurance agencies, collection agencies, or any other person, to carry out the purposes of sections 136A.15 to 136A.1702.

Subd. 6. **Insurance.** The office shall be empowered to charge for insurance on each loan a premium, payable each year in advance. The premiums shall not be in an amount in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 136A.1701. Premium fees shall be available to the office without fiscal year limitation for the purposes of making loans and meeting expenses of administering the loan programs.

Subd. 7. **Funds.** The office may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for funds, it may comply with all requirements of state and federal law and rules and regulations, and enter into the contracts necessary to enable it to receive, accept, and administer such funds.

Subd. 8. **Investment.** Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested

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in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessors.

Subd. 9. **Staff.** The office may employ the professional and clerical staff the director deems necessary for the proper administration of the loan programs established and defined by sections 136A.15 to 136A.1702.

Subd. 10. **Director.** Subject to its directives and review, the office may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.15 to 136A.1702, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Subd. 11. [Repealed, 1995 c 212 art 2 s 22]

Subd. 12. **Records.** The office shall establish and maintain appropriate accounting and related records.

Subd. 13. **Subject to suit.** The office may sue and be sued.

Subd. 14. **Notes.** The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, the Minnesota Higher Education Coordinating Board.

Subd. 15. **Letters of credit; surety.** The office may obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions.

Subd. 16. **Interest rate swaps and other agreements.**

(a) The office may enter into interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, or other comparable interest rate protection agreements with a third party in connection with the issuance or proposed issuance of bonds, outstanding bonds or notes, or existing comparable interest rate protection agreements.

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- (b) The agreements authorized by this subdivision include without limitation master agreements, options, or contracts to enter into those agreements in the future and related agreements, including, without limitation, agreements to provide credit enhancement, liquidity, or remarketing.
- (c) The agreements authorized by this subdivision may be entered into on the basis of negotiation with a qualified third party or through a competitive proposal process on terms and conditions as and with covenants and provisions approved by the office and may include, without limitation:
- (1) provisions establishing reserves;
 - (2) pledging assets or revenues of the office for current or other payments or termination payments;
 - (3) contracting with the other parties to the agreements to provide for the custody, collection, securement, investment, and payment of money of the office or money held in trust; or
 - (4) requiring the issuance of bonds or other agreements authorized by this section in the future.
- (d) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a variable rate, the office may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a variable rate determined according to a formula set out in the agreement.
- (e) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a fixed rate or rates, the office may agree to pay sums equal to interest at a variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a fixed rate or rates determined according to a formula set in the agreement.
- (f) Subject to any applicable covenants of the office, payments required to be made by the office under the agreement, including termination payments, may be made from amounts pledged or available to pay debt service on the bonds or notes with respect to which the agreement was made or from assets of the loan capital fund of the office. The office may issue bonds or notes to provide for any payments, including, without limitation, a termination payment due or to become due under an agreement authorized under this section.

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(g) The authority of the office to enter into interest rate protection agreements under this section is limited to agreements related to bonds and notes with an aggregate value of no more than \$20,000,000.

History: 1967 c 615 s 1; 1967 c 894 s 3; 1969 c 6 s 23; 1973 c 605 s 5,6; 1975 c 271 s 6; 1977 c 384 s 4-7; 1981 c 300 s 3-5; 1983 c 258 s 47; 1985 c 248 s 70; 1989 c 293 s 36-41; 1995 c 212 art 3 s 34,59; 1997 c 183 art 3 s 12-15; 1998 c 386 art 2 s 43; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 27,28

136A.162 CLASSIFICATION OF DATA.

- (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the Minnesota Office of Higher Education for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.
- (b) Data on applicants may be disclosed to the commissioner of human services to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).
- (c) The following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:
- (1) the lender-assigned borrower identification number;
 - (2) the name and address of borrower;
 - (3) the name and address of cosigner;
 - (4) the date the account is opened;
 - (5) the outstanding account balance;
 - (6) the dollar amount past due;
 - (7) the number of payments past due;
 - (8) the number of late payments in previous 12 months;
 - (9) the type of account;
 - (10) the responsibility for the account; and
 - (11) the status or remarks code.

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History: 1977 c 384 s 8; 1979 c 238 s 5; 1981 c 311 s 39; 1982 c 545 s 24; 1Sp1985 c 11 s 48; 1989 c 293 s 42; 1991 c 292 art 5 s 3; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2006 c 253 s 6

136A.17 PROVISIONS FOR FEDERAL PROGRAMS.

Subdivision 1. **Eligibility.** A student is eligible to apply for a loan under sections 136A.15 to 136A.1702 if the office finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan programs.

Subd. 2. **Compliance.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

Subd. 3. **Terms and conditions of loans.** The office may loan money upon such terms and conditions as the office may prescribe and it may acquire student loans from other lenders to facilitate the student loan programs provided for in this section.

Subd. 4. **Maximum loans for students.** No loan shall be made in excess of the maximum provided by pertinent federal laws and regulations. The aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Subd. 5. **Vocational study.** The office may make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Subd. 6. **Maximum rate of interest.** No loans made by the office shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, and any amendments thereof.

Subd. 7. **Student's family income.** The benefits of the loan programs will not be denied any student because of the student's family income or lack of need if the student's adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

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Subd. 8. **Repayment of loans.** The repayment procedures applicable for loans made by the office shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Subd. 9. **Office powers.** The office may take, hold, and administer for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the office. The office may acquire property or moneys for such purposes by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans; and may enter into contracts with other nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the office and its loan programs.

Subd. 10. **Variable repayment.** The office may establish variable repayment schedules consistent with the need and anticipated income streams of borrowers. The repayment schedules shall not violate the federal laws and regulations governing federal guaranteed student loan programs.

Subd. 11. **Prohibition on use of state money.** No moneys originating from state sources in the state treasury shall be made available for student loans and all student loans shall be made from moneys originating from nonstate sources.

History: 1967 c 894 s 4; 1973 c 605 s 7-10; 1975 c 271 s 6; 1977 c 384 s 9-14; 1978 c 706 s 52; 1981 c 300 s 6-8; 1983 c 258 s 48; 1986 c 444; 1989 c 293 s 43; 1995 c 212 art 3 s 59

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subdivision 1. **Establishment of program.** The Minnesota Office of Higher Education may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.15 to 136A.1702 and applicable provisions of federal law as provided in this section.

Subd. 2. **Purpose of program.** The purpose of the loan programs under this section is to provide financial assistance for the postsecondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.15 to 136A.1702.

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Loans granted to students may be used solely for educational purposes.

Subd. 3. **Compliance with Civil Rights Act.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

Subd. 4. **Terms and conditions of loans.**

- (a) The office may loan money upon such terms and conditions as the office may prescribe. The principal amount of a loan to an undergraduate student for a single academic year shall not exceed \$6,000 for grade levels 1 and 2 effective July 1, 2006, through June 30, 2007. Effective July 1, 2007, the principal amount of a loan for grade levels 1 and 2 shall not exceed \$7,500. The principal amount of a loan for grade levels 3, 4, and 5 shall not exceed \$7,500 effective July 1, 2006. The aggregate principal amount of all loans made under this section to an undergraduate student shall not exceed \$34,500 through June 30, 2007, and \$37,500 after June 30, 2007. The principal amount of a loan to a graduate student for a single academic year shall not exceed \$9,000. The aggregate principal amount of all loans made under this section to a student as an undergraduate and graduate student shall not exceed \$52,500 through June 30, 2007, and \$55,500 after June 30, 2007. The amount of the loan may not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (b).
- (b) The cumulative undergraduate borrowing maximums for SELF loans are:
- (1) effective July 1, 2006, through June 30, 2007:
 - (i) grade level 1, \$6,000;
 - (ii) grade level 2, \$12,000;
 - (iii) grade level 3, \$19,500;
 - (iv) grade level 4, \$27,000; and
 - (v) grade level 5, \$34,500; and
 - (2) effective July 1, 2007:
 - (i) grade level 1, \$7,500;
 - (ii) grade level 2, \$15,000;
 - (iii) grade level 3, \$22,500;

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- (iv) grade level 4, \$30,000; and
- (v) grade level 5, \$37,500.

Subd. 5. **Maximum loans for students.** Loans made under this section or sections 136A.15 to 136A.1702 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Subd. 6. **Rate of interest.** The office shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.

Subd. 7. **Repayment of loans.**

- (a) The office shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment for SELF II or SELF III loans exceed ten years from the eligible student's termination of the student's postsecondary academic or vocational program, or 15 years from the date of the student's first loan under this section, whichever is less.
- (b) For SELF loans from phases after SELF III, eligible students with aggregate principal loan balances from all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten years from the eligible student's graduation or termination date. For SELF loans from phases after SELF III, eligible students with aggregate principal loan balances from all SELF phases of \$18,750 or greater shall have a repayment period not exceeding 15 years from the eligible student's graduation or termination date. For SELF loans from phases after SELF III, the loans shall enter repayment no later than seven years after the first disbursement date on the loan.

Subd. 8. **Office powers.** The office may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the office. The office may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into

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contracts with profit or nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the office and its loan programs.

Subd. 9. **Variable repayment schedules.** The office may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.

Subd. 9a. **Appeals.** The office shall develop an appeals process for recipients of loans made under this section who believe there is an unresolved error in the servicing of the loan. The office shall provide recipients with a description of the appeals process.

Subd. 10. **Prohibition on use of state money.** No money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Subd. 11. **Data.**

- (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.
- (b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the director that is directly related to the responsibilities of the office under this chapter and chapter 141. The director may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Subd. 12. **Eligible student.** “Eligible student” means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state or province. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible

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students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an “eligible student” must also meet the eligibility requirements of section 136A.15, subdivision 8.

History: 1983 c 258 s 49; 1986 c 444; 1989 c 293 s 44-46; 1Sp1993 c 2 art 2 s 15,16; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 25,26,60; 2006 c 282 art 8 s 5,6

136A.1702 LEGISLATIVE OVERSIGHT.

The office shall notify the chairs of the legislative committees with primary jurisdiction over higher education finance of any proposed material change to any of its student loan programs prior to making the change.

History: 1983 c 258 s 50; 1995 c 212 art 3 s 59; 2007 c 144 art 2 s 29



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4850.0010 PURPOSE.

The purpose of parts 4850.0010 to 4850.0024 is to augment Minnesota Statutes, sections 136A.15 to 136A.1702, establishing a state program of supplemental loans to postsecondary students by providing standards, criteria, and rules for the program.

Stat Auth: MS s 136A.04; 136A.111; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 15 SR 1780

4850.0011 DEFINITIONS.

Subpart 1. **Academic year.** “Academic year” means:

- A. a period of time, typically eight or nine months, in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters, or three quarters at an eligible school using credit hours; or
- B. at least 900 clock hours of training for a program at an eligible school using clock hours.

A student may borrow for a portion of the academic year, or for all of it (see “loan period”).

Subp. 2. **Anticipated graduation date.** “Anticipated graduation date” means the date indicated by the eligible school at the time the student applies for a SELF loan, as the date that the student will graduate given the enrolled program and normal satisfactory academic progress.

Subp. 3. [Repealed, 20 SR 2214]

Subp. 4. **Capitalized interest.** “Capitalized interest” means accrued interest that is added to the outstanding loan principal.

Subp. 5. **Certificate or degree.** “Certificate” or “degree” means a written or printed statement of the fact that the holder has met the eligible school’s minimum requirements for completion, and certifies a minimum mastery of the subject matter for a particular academic or vocational program.

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Subp. 6. **Certification.** “Certification” means an eligible school verifies and documents the identity, eligible enrollment, satisfactory academic progress, and cost of attendance of the borrower; performs the “maximum effort” test; and calculates the maximum allowable SELF loan eligibility and recommends a specific loan amount. The school also shall determine whether or not the student is in default of previous loans through:

- A. checking loan history at the school;
- B. checking an available financial aid transcript from a school previously attended by a borrower who is a transfer student; and
- C. using any other information reasonably available to the school about the student’s prior student loan history, written, verbal, or electronic.

Subp. 7. [Repealed, 20 SR 2214]

Subp. 8. **Cost of attendance.** “Cost of attendance” includes:

- A. tuition and fees charged for the loan period;
- B. room and board charged for the loan period, or a reasonable allowance as determined by the school, for off-campus living; and
- C. a reasonable allowance as determined by the school for books, supplies, transportation, and personal expenses.

Subp. 9. **Creditworthy cosigner.** “Creditworthy cosigner” means one who, based on information provided by a national credit bureau, has:

- A. no account balances discharged through bankruptcy;
- B. no garnishments, attachments, foreclosure, repossession, or suit;
- C. no more than \$300 combined total in unsatisfied credit or unsatisfied payment obligations including, but not limited to, charged-off loans, credit, medical, utility accounts, collection items, and tax or mechanics liens; and
- D. no more than five percent of total credit bureau balances past due, unless the amount past due is \$300 or less.

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Subp. 10. **Cosigners.** All SELF borrowers shall have a creditworthy cosigner who is either a United States citizen or a permanent resident. The cosigner is jointly and separately responsible for making loan payments (principal, interest, and other charges). A cosigner must:

- A. be a person at least 24 years old or if a sibling (sister, brother, half-sister, half-brother, stepsister, or stepbrother) of the borrower be at least 18 years old;
- B. agree to the release of information to a consumer credit reporting agency, as described in part 4850.0012, subpart 4; and
- C. permanently reside in the United States.

Subp. 11. **Default.** “Default” means the condition that exists if the borrower fails to perform any of the conditions of the promissory note.

Subp. 11a. **Default date.** “Default date” means the date the loan is submitted by the office to the loan servicer as a default due to failure to comply with the required terms of the promissory note.

Subp. 12. **Delinquency.** “Delinquency” means the condition that exists when a borrower’s scheduled payment of principal or interest or both is received by the director after the due date.

Subp. 12a. **Director.** “Director” means the director of the office, or office staff who perform duties as assigned by the director.

Subp. 13. **Due diligence.** “Due diligence” means the use of practices by the office in making, servicing, and collecting of SELF loans that are at least as extensive and forceful as those generally practiced by financial institutions for consumer loans.

Subp. 14. **Eligible school.** “Eligible school” means a school that:

- A. meets the requirements for an eligible institution as defined in Minnesota Statutes, section 136A.15, subdivision 6; and
- B. signs an institutional loan participation agreement with the director that lists the duties and responsibilities of both the school and the director.

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Subp. 15. **Eligible student.** “Eligible student” means a student who:

- A. is enrolled in an eligible school in Minnesota, or is a Minnesota resident enrolled in an eligible school in another state, United States territory, or province as defined in Minnesota Statutes, section 136A.15, subdivision 5;
- B. is enrolled at least half-time in a program leading to a certificate, associate, baccalaureate, masters, doctorate, or other professional degree;
- C. is making satisfactory academic progress as defined by the school;
- D. is not currently in default, as defined by each specific program, of any student educational loan program (Stafford Loan, GSL, FISL, NDSL, Perkins, HPL, HEAL, ALAS/SLS, or other similar federal, state, private, or institutional student loan program) at the current or any previous school;
- E. is not currently delinquent in payment of interest or principal on an outstanding SELF loan;
- F. has a creditworthy cosigner;
- G. demonstrates financial eligibility by meeting the “maximum effort” test; and
- H. has agreed to the release of information to a consumer credit reporting agency, as listed in part 4850.0012, subpart 4.

Subp. 16. **Enrolled student.** “Enrolled student” means a student who has registered for and begun the loan period at the eligible school.

Subp. 16a. [Repealed, 20 SR 2214]

Subp. 17. **Financial aid.** “Financial aid” includes all money flowing to the student that is contingent upon the student’s enrollment at the eligible school.

Subp. 18. **Forbearance.** “Forbearance” means permitting the temporary halt of payments, allowing an extension of time for making payments, or accepting smaller payments than were scheduled.

Subp. 19. **Full-time student.** “Full-time student” means one who is enrolled in an eligible school and who carries a full-time postsecondary level, vocational or academic workload as determined by the eligible school, ending in a certificate or degree.

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Subp. 20. **Grade level.** “Grade level” means the relative position of an eligible student in a degree or certificate granting program, and corresponds to an academic year. (For example, an eligible student in the second year of a four-year program would be in grade level 02.)

Subp. 21. **Graduate student.** “Graduate student” means a student who is pursuing a program, or has a baccalaureate degree and is enrolled in courses which are normally part of a program, leading to a graduate or professional degree or certificate at an eligible school; and has successfully completed the equivalent of at least three years of full-time study at an eligible school either prior to entrance into the program or as part of the program itself.

Subp. 22. **Half-time student.** “Half-time student” means one who is enrolled in an eligible school and carrying a half-time academic workload as determined by the eligible school that amounts to at least one-half the workload of a full-time certificate or degree seeking student. In eligible schools utilizing clock hours, half-time enrollment includes programs requiring at least 300 clock hours.

Subp. 23. **In-school period.** “In-school period” means the period that the eligible student is enrolled on at least a half-time basis in an eligible school.

Subp. 24. **Late charge.** “Late charge” means a charge, not to exceed \$20, that is assessed against borrowers each time a payment of principal and/or interest is received by the director more than 15 days after the due date.

Subp. 24a. **Loan forgiveness.** “Loan forgiveness” means the obligation of the borrower and the cosigner to repay the SELF loan is forgiven due to the death or total and permanent disability of the borrower.

Subp. 25. **Loan period.** “Loan period” means the period for which the student receives the loan. The period begins on the first day of class. It must be at least 30 days in length, and must not exceed 12 months. A loan period may be the same as, or a portion of, the academic year. For example, the loan period may be for a single semester or quarter.

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Subp. 26. **Maximum effort.** To have used “maximum effort” means that the student has applied for and exhausted all eligibility for other forms of financial aid (except work-study, federal student loans covered under Code of Federal Regulations, title 34, part 674, the federal Perkins Loan Program, Code of Federal Regulations, title 34, part 682, the federal Family Education Loan Program or FFEL, Code of Federal Regulations, title 34, part 685, the William D. Ford federal Direct Loan Program, or other similar federal student loan, and HEAL) before applying for a SELF loan. Financial aid administrators must include any financial aid that has been awarded or is expected to be awarded to the student for the loan period.

Subp. 26a. **Office.** “Office” means the Minnesota Office of Higher Education.

Subp. 27. [See repealer.]

Subp. 28. [See repealer.]

Subp. 28a. **SELF II loans.** “SELF II loans” means SELF loans where the interest rate on the loan is determined by the director at a margin in excess of the SELF II index rate. The SELF II index rate is the average rounded to the nearest quarter of one percent of the bond equivalent yield, for auctions of 13-week treasury bills, during the calendar quarter immediately preceding the interest rate adjustment date.

Subp. 28b. **SELF III loans.** “SELF III loans” means SELF loans where the interest rate on the loan is determined by the director at a margin in excess of a SELF III index rate. The SELF III initial index rate is the arithmetic average rounded to the nearest tenth of one percent of the three-month London Interbank Offered Rates (LIBOR) rate during the calendar quarter immediately preceding the interest rate adjustment date. The LIBOR rate is determined by the British Banker’s Association. Where terms can be obtained for issuance of SELF loans at a rate favorable to borrowers, the director may establish other indexes or utilize a fixed rate as provided for in the promissory note.

Subp. 28c. **SELF IV loans.** “SELF IV loans” means SELF loans where the interest rate on the loan is determined by the director at a margin in excess of a SELF IV index rate. The SELF IV initial index rate is the arithmetic average rounded to the nearest tenth of one percent of the three-month London Interbank Offered Rates (LIBOR) rate during the calendar quarter immediately preceding the interest rate

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adjustment date. The LIBOR rate is determined by the British Banker’s Association. Where terms can be obtained for issuance of SELF loans at a rate favorable to borrowers, the director may establish other indexes or utilize a fixed rate as provided for in the promissory note.

Subp. 28d. **Temporary total disability.** “Temporary total disability” means a disability resulting from an injury or illness that is expected to last at least four months and that interferes with the borrower’s ability to make loan payments. A borrower has a temporary total disability if a doctor of medicine or osteopathy, legally authorized to practice in a state, certifies that the borrower is unable to work and earn money because of an injury or illness expected to last at least four months. A borrower is not considered to have a temporary total disability on the basis of a condition that existed at the time the loan was made.

Subp. 28e. **Total and permanent disability.** “Total and permanent disability” means a disability resulting from an injury or illness that is expected to continue indefinitely or result in death, that interferes with the borrower’s ability to make loan payments because the borrower is unable to work or earn money, as certified by a doctor of medicine or osteopathy, legally authorized to practice in a state. A borrower is not considered totally and permanently disabled on the basis of a condition that existed at the time the loan was made.

Subp. 29. **Transition period.** “Transition period” means a 12-month period immediately following graduation or termination of enrollment. Borrowers may extend the transition period, if permitted by the terms of the promissory note, an additional period not to exceed 24 months. During the transition period, borrowers are billed for interest only.

Subp. 30. **Undergraduate student.** “Undergraduate student” means a student who is not a graduate student.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 13 SR 128; 15 SR 1780; 18 SR 1848; L 1995 c 212 art 3 s 59; 20 SR 2214

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4850.0012 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

Subpart 1. **Institutional loan participation agreement.** The eligible school and the director must sign a loan participation agreement that will:

- A. state the eligible school’s responsibility for proper certification and delivery of loans to students; and
- B. name a representative of the eligible school who is to be responsible for the administration of the agreement.

Subp. 2. **Termination.** The director may terminate the agreement with an eligible school upon determining that the school is not complying with the rules in parts 4850.0010 to 4850.0024. All obligations of the school under the agreement shall continue in full force and effect with respect to all SELF loans then outstanding to students of the school. The termination of an agreement with a school shall be made pursuant to part 4830.0140.

Subp. 3. **Application and promissory note.** The student shall follow the appropriate SELF application process used at the eligible school. The student shall deliver or mail the application and promissory note to the cosigner who shall complete the cosigner’s portion of the application and promissory note and deliver or mail them to the director. Electronic signatures are acceptable where an electronic signature process has been adopted by the office. The director will check the application and promissory note for completeness, determine the eligibility of the applicant, and conduct a credit check of the borrower and the cosigner. If the director approves the loan application, the document file is forwarded to the servicer. The servicer shall prepare and mail a disclosure statement to the borrower and cosigner, advise the school of the loan approval, schedule disbursements, and place the document file in permanent storage. If the director rejects the loan application, the applicant and the cosigner must be advised in writing of the decision and the reasons for the rejection.

Subp. 4. **Release of information.** The following information about the borrower and cosigner will be periodically released to a consumer credit reporting agency throughout the life of the loan:

- A. the lender-assigned borrower identification number, if any;
- B. the name and address of borrower;
- C. the name and address of cosigner;
- D. the date the account is opened;

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- E. the outstanding account balance;
- F. the dollar amount past due;
- G. the number of payments past due;
- H. the number of late payments in previous 12 months;
- I. the type of account;
- J. the responsibility for the account; and
- K. the status or remarks code.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 15 SR 1780; 17 SR 1279; 18 SR 1848; 20 SR 2214; 24 SR 389

4850.0014 AMOUNT AND TERMS.

Subpart 1. **Loan amounts.** The minimum SELF loan amount is \$500.

Subp. 2. **Two loans in one year.**

- A. A student may borrow more than once in the same academic year as long as:
 - (1) eligibility remains;
 - (2) the annual borrowing maximum is not exceeded; and
 - (3) the amount approved is at least \$500.
- B. A student may borrow the annual maximum twice in the same grade level, as long as:
 - (1) a total of 11 months elapses from the beginning of the first loan period to the beginning of the second loan period; and
 - (2) the cumulative SELF loan debt maximum for that grade level is not exceeded.
- C. A student who advances a grade level in the middle of an academic year may borrow at that new grade level, as long as the cumulative SELF loan debt maximum for that new grade level is not exceeded.

Subp. 3. **Interest rate.** For SELF II loans, the interest rate on the loan will be determined by the director at a margin in excess of the SELF II index rate as defined under part 4850.0011, subpart 28a. If the index rate increases or decreases, the interest rate on the loan automatically increases or decreases on the same day without notice to the borrower. The interest rate on the loan cannot increase or decrease more than

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two percentage points over any four consecutive calendar quarters exclusive of any individual loan interest rate reductions and reinstatements resulting from the application of benefit programs for military, on-time payments and automated payments or other program interest rate reductions. The director shall set the margin to reflect the costs of the SELF program. If the director determines that the margin does not reflect the costs of the SELF program, the director must increase or decrease the margin. The director shall advise borrowers of changes in the margin.

For SELF III and SELF IV loans, the interest rate on the loan will be determined by the director at a margin in excess of SELF III and SELF IV index rates, as defined under part 4850.0011, subparts 28b and 28c. The interest rate on the loan cannot increase or decrease more than three percentage points over any four consecutive calendar quarters exclusive of any individual loan interest rate reductions and reinstatements resulting from the application of benefit programs for military, on-time payments and automated payments or other program interest rate reductions. The director shall set the margin to reflect the costs of the SELF program. If the director determines that the margin does not reflect the costs of the SELF program, the director must increase or decrease the margin.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 13 SR 128; 15 SR 1780; 18 SR 1848; 20 SR 2214; 22 SR 1369; 24 SR 389

4850.0015 LOAN DISBURSEMENTS.

Subpart 1. **Disbursement scheduling.** If loan proceeds are in the form of an individual check, the check must be jointly payable to the borrower and the eligible school. If the loan period covers more than one academic or payment period, the loan must be disbursed in installments during each academic or payment period. (For example, if an eligible school's academic year is divided by quarters, the student's loan amount may be disbursed in three installments, once each quarter.) Disbursements must be made at the beginning of each academic term, unless the director requires or the school suggests other more appropriate dates.

Subp. 2. **Disbursement when loan proceeds arrive before loan period.** Loan proceeds must not be disbursed to the student before the start of the loan period. The school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds

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are in the form of an individual check, the school must deliver the check to the student for endorsement. The check must then be endorsed by the school. In the case of either a check or an electronic funds transfer, the school must next subtract from the loan proceeds the amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The remaining proceeds may be returned to the student or retained on account at the election of the student. The school may not keep on account any more money than it charges for that payment period without the written permission of the student.

Subp. 3. Disbursement when loan proceeds arrive during loan period. When the loan proceeds arrive during the loan period, the school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check, the school shall endorse the check along with the student, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The school must next subtract from the proceeds the amount owed to it for the payment period and make arrangements with the student for the use of any remaining proceeds. In either case, the student has the same options for receiving any remaining proceeds as described in subpart 2. If the student is on a school approved leave of absence when the loan proceeds arrive and is scheduled to return within 30 days from the date on the check or the date of the electronic funds transfer, the school may hold the loan proceeds until the student returns. If the student fails to return or does not show up for disbursement, the loan proceeds must be returned to the director within 30 days from the date on the check or the date of the electronic funds transfer, whichever is applicable.

Subp. 4. Disbursement when loan proceeds arrive after loan period. When the loan proceeds arrive after the loan period, the school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check, the school may endorse the check along with the student within 30 days from the end of the loan period, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for use of any remaining proceeds. The school must next subtract from the proceeds the amount owed to it for the payment period and make arrangements with the student for the use of any remaining proceeds. In either case, the student has the same options for receiving any remaining proceeds

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as described in subpart 2. If the loan proceeds arrive more than 30 days after the end of the loan period, the school must return the loan proceeds to the director.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 15 SR 1780; 20 SR 2214; 22 SR 1369

4850.0016 NONENROLLMENT, TRANSFER, AND WITHDRAWAL.

Subpart 1. **Nonenrollment.** A school shall return a payment to the director for a student who fails to enroll within 30 days of the payment date.

Subp. 2. **Withdrawal and transfer to another eligible school.** If the student fails to complete the loan period at the school where the loan application was certified and transfers to another eligible school, any remaining scheduled disbursements must be canceled. The school must immediately notify the director of any borrower who withdraws for any purpose. The student may apply for any remaining loan eligibility at the other eligible school, assuming the amount approved is at least \$500.

Subp. 3. **Withdrawal.** In the event that a borrower, for any reason, fails to complete a loan period, withdraws, and the school calculates a SELF refund for the borrower, that refund must be returned to the office for the SELF loan program within 30 days of the date the school becomes aware of the withdrawal. Refunds to the office are determined by items A and B.

- A. Determine the percentage that the SELF loan represents of the student's total nonfederal financial aid package for the applicable term.
- B. Multiply that percentage by the amount determined to be refunded to nonfederal aid providers under the school's refund policy. The result yields the amount to be refunded to the office.

Subp. 4. **Reduction of enrollment to less than half-time status.** The school shall notify the director immediately when a student reduces enrollment below a half-time status, but remains enrolled. Such a student shall be permitted to remain in an in-school repayment period for no more than six months including normal school vacation periods before the transition period begins.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 13 SR 128; 15 SR 1780; L 1995 c 212 art 3 s 59; 20 SR 2214

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4850.0017 REPAYMENT PROCEDURES.

Borrowers or cosigners shall make payments of principal and interest according to the following schedule:

- A. During the in-school period, the office or its agent shall bill borrowers for accrued interest and applicable late charges once during each calendar quarter.
- B. During the transition period, the office or its agent shall bill borrowers for accrued interest and applicable late charges once during each calendar month.
- C. During the repayment period, the office or its agent shall bill borrowers for accrued interest, applicable late charges, and principal once during each calendar month. The interest rate may vary throughout the period. The sum of the monthly payments must equal the sum of accrued interest plus principal, plus any applicable late charges. The monthly payments of principal must be in amounts calculated at the beginning of the repayment period as if two conditions existed. The two conditions are: (1) interest on the loan accrues at a fixed rate equal to the interest rate in effect at the time of the calculation and (2) the loan is payable over its term in equal monthly installments. The borrower must pay a total of at least \$600 each year on all of the borrower's SELF loans. If the borrower's spouse also has SELF loans, their combined annual payments on all SELF loans must be at least \$600.
- D. Interest payments during the in-school period that are delinquent in excess of 120 days from the billing date must be capitalized. Capitalization of past due interest must be limited to two occasions before filing a claim.
- E. A prepayment penalty must not be assessed against borrowers who elect to make unscheduled payments of loan principal.
- F. The director shall grant forbearances in those instances when the borrower experiences hardship in making payments of principal and/or interest, and when the cosigner has either died, become temporarily or permanently disabled, or for some other reason, such as unemployment or limited fixed income, demonstrated an inability to make payment. Such a forbearance shall be granted upon receipt of written documentation from the borrower and the cosigner relating to the unemployment or similar financial hardship case and is limited to 120 days, renewable upon further documentation for another 120 days.
- G. Upon request, the director shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

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Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 11 SR 1276; 13 SR 128; 15 SR 1780; 18 SR 1848; L 1995 c 212 art 3 s 59; 20 SR 2214

4850.0018 CLAIMS.

Subpart 1. **When filed.** If after exercising due diligence, and after 120 days from the billing date the director fails to collect a payment from a borrower or the cosigner, a claim must be filed to the bad debt reserve by the director for the outstanding principal of the loan plus accrued interest.

Subp. 2. **When paid.** Claims are paid in four categories:

- A. A claim for death of the borrower must be filed by the director upon receipt of a death record. The cosigner's obligation to make any further payment of principal and interest or both on a SELF loan is canceled as of the date of death.
- B. If the borrower becomes totally and permanently disabled, a claim must be filed by the director upon receipt of proper medical documentation. The borrower's and cosigner's obligation to make any further payment of principal and interest on a SELF loan is canceled as of the date of approval of the medical documentation by the office.
- C. If a borrower or cosigner fails to perform any of the conditions of the promissory note, a claim must be filed by the director.
- D. If a borrower is adjudicated bankrupt and has liability for the SELF loan discharged, the cosigner remains liable for unpaid principal and interest. If the cosigner fails to perform any of the conditions of the promissory note, the director shall file a claim.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.1701; 136A.234

Hist: 10 SR 1852; 15 SR 1780; 20 SR 2214

4850.0020 LOAN FORGIVENESS.

Subpart 1. **Death of borrower.** The obligation of the borrower and the cosigner to repay a SELF loan shall be forgiven upon documentation of the death of the borrower. Payments made after the borrower's death prior to the submission of a death certificate will not be reimbursed.

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Subp. 2 **Total and permanent disability of borrower.** The obligation of the borrower and the cosigner to repay the SELF loan shall be forgiven upon written request to the office if the office determines that a borrower has a total and permanent disability and if the total and permanent disability of the borrower occurred after all disbursements of the loan were made. The forgiveness is effective the date the total and permanent disability documentation is approved and accepted by the office.

4850.0021 NONACCRUAL OF INTEREST PERIOD DURING A TEMPORARY TOTAL DISABILITY.

A borrower who has a temporary total disability shall be granted a period of nonaccrual of interest upon written request to the office, effective the date the temporary total disability documentation is approved and accepted by the office, if the office determines that the borrower has a temporary total disability and if the temporary total disability of the borrower occurred after all disbursements of the loan were made. Interest does not accrue during an approved nonaccrual of interest period and no payments will be required to be made during this time. A nonaccrual of interest period may be granted for up to one year at a time with a maximum of no more than three years. Extensions may be requested after the end of each approved period of nonaccrual of interest. Updated medical information is required of the borrower for each extension request. If at any time during a nonaccrual of interest period the borrower qualifies for loan forgiveness due to total and permanent disability status, the borrower may submit the required medical documentation to the office for review. At the end of the nonaccrual of interest period the borrower must resume payments at an amount necessary to repay the loan in the time period required by the promissory note unless a payment extension agreement has been entered into with the office.

4850.0022 ACTIVE MILITARY DUTY INTEREST REDUCTION BENEFIT.

Eligible borrowers on active military duty may qualify for interest rate reductions greater than reductions already required by federal or state law based on a determination by the director of available benefits. The military interest rate reduction availability and the amount of any reduction is determined quarterly. Eligible borrowers must request the reduction and provide a copy of active military orders in order to qualify. An available reduction is only effective for dates the borrower is on active duty. Interest reductions, other than reductions required by federal or state law, shall be discontinued without notice for any quarter in which the benefit is unavailable.

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4850.0024 DEFAULTED LOAN REHABILITATION.

Subpart 1. **Availability.** A defaulted loan rehabilitation option is available for loans which default after adoption of parts 4850.0011 to 4850.0024. [Effective June 30, 2008.]

Subp. 2. **Exclusions.** A defaulted loan rehabilitation option is not available for loans that have been turned over to a collection entity or that are in default for a second time.

Subp 3. **Rehabilitation deadline.** Rehabilitation must be completed within two years from the default date.

Subp. 4. **Payment in full option.** A defaulted loan is considered rehabilitated if the outstanding balance of the defaulted loan is paid in full to the office within 90 days from the default date.

Subp. 5. **Payment plan option.** A borrower or cosigner may rehabilitate a defaulted loan upon approval by the office of a rehabilitation request signed by the borrower or cosigner and submitted to the office. If the office approves the rehabilitation request, the borrower or cosigner must make 12 monthly on-time payments on the defaulted loan. If the borrower or cosigner fails to make 12 consecutive on-time payments and if there is sufficient time remaining within the maximum two-year rehabilitation period, the borrower or cosigner may submit a second rehabilitation request for approval by the office to make 12 on-time payments. The combined payment amounts must be sufficient so that at the end of the rehabilitation period the loan conforms with the promissory note repayment terms had the loan not defaulted. A payment is considered on time if the payment is received by the office no later than seven calendar days after the agreed upon due date.

Subp 6. **Rehabilitated loan requirement.** Once a loan has successfully been rehabilitated, the remaining balance must be repaid within the original time frame and according to the original terms and conditions of the promissory note.

Subp. 7. **Deletion of default loan status.** Upon completion of the loan rehabilitation, the office shall request deletion of the defaulted loan status from the credit bureaus if deletion is permitted by the credit

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bureaus. Deletion of the default status is contingent upon approval by the credit bureaus. Any past due reporting to the credit bureaus prior to the default will not be deleted.

REPEALER. Minnesota Rules, part 4850.0011, subpart 27, is repealed.

REPEALER. Minnesota Rules, part 4850.0011, subpart 28, is repealed.

Appendices:
SELF
Loan
Program®

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Appendices: SELF Loan Program

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Who to Contact

Minnesota Office of Higher Education 651-642-0567 or toll free at 800-657-3866

Monday through Friday 8:00 a.m. to 4:30 p.m.

Fax Number 651-642-0570

- Questions on the status of the loan prior to approval.
- Questions on Deny and Send Back letters.
- Changes in loan applications prior to approval (loan amount, grade level, disbursement dates, etc.)
- Borrowers or co-signers with questions about the program or loan application.

Sheila Price 651-355-0602

Marilyn Kosir 651-355-0600

- Request user id and password and questions about online counseling.
- Set up EFT.
- Set up electronic TeleSELF application process.
- Special report requests.

Firstmark Services School Hotline 651-265-7689 or 888-756-0075 (Schools ONLY please)

Monday through Friday 8:00 a.m. to 4:30 p.m.

Fax Number 651-265-7795

- Cancellation, re-issue, or re-instatement of disbursements subsequent to approval of the loan.
- Reduction of loan disbursements subsequent to approval of loan.
- Status changes (for schools that do not participate in the National Student Clearinghouse).
- Questions on EFT or check disbursements or rosters.
- Set up online application process.
- Set up response files or questions on response files.

Firstmark Services Borrower Line 651-265-7666 or toll free at 888-295-0713 (Automated 24 hours)

Representatives are available: Monday through Thursday 7:00 a.m. to 7:00 p.m.

Friday 7:00 a.m. to 5:00 p.m.

Borrowers can also look up information on their loan via the web site www.firstmarkservices.com

- Borrowers or co-signers with questions on Firstmark billing statements.

Who Does What

Office of Higher Education

- Review, process and approve applications.
- Run credit reports on co-signers.
- Send letters to borrowers, co-signers and/or schools on denied or incomplete applications.
- Send letters to schools if pending disbursements are held due to delinquency.
- Train school staff in certifying applications.

Firstmark Services

- Send approval letters to borrower if loan disbursement is more than 10 days in the future.
- Send weekly pending disbursement reports to those schools that have requested the reports.
- Send disbursements by check or EFT to the school.
- Send disclosure statements to borrowers and co-signers.
- Bill borrowers, track graduation date, update loan status and perform diligence activities.
- Report borrower and co-signer information to the credit bureau.
- Check disbursements held due to delinquency to see if eligible for re-issue.

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Firstmark Services Contact Information for the SELF Program June 2008

School Phone Line for SELF Loans 1-888-756-0075 Fax 651-265-7790

Representatives are available Monday through Friday, from 8:00 AM to 4:30 PM central time.

Firstmark Address for Schools to Use for SELF Loans including returning disbursement checks

Firstmark
Attn: Private Loans
PO Box 25410
Woodbury, MN 55125-0410

Information for Borrowers or Co-Signers Contacting Firstmark for SELF Loans

Borrower Services Phone Lines for SELF Loans

Metro Area: 651-265-7666
Toll-Free: 1-888-295-0713
Fax: 651-265-7795

Representatives are available Monday through Thursday, from 7 AM to 7 PM central time and Fridays from 7 AM to 5 PM central time.

Borrower Services Payment Address for SELF Loans

Firstmark Loan Services, Inc.
P.O. Box 2977
Omaha NE 68103-2977

Correspondence Address

Firstmark
Attn: Private Loans
PO Box 25410
Woodbury, MN 55125-0410

Web site Access

SELF borrower and co-signer information is available on Firstmark's Web site. Schools may access this information by logging into FirstDegree.

www.firstmarkservices.com (under Borrowers FirstTrack)
www.firstmarkservices.com (under Schools FirstDegree)

General Firstmark Information

Physical Address

Firstmark
2101B Wooddale Drive
Woodbury, MN 55125
Fax: 651-265-7795

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**Minnesota Office of Higher Education
Contact Information for the SELF Program
June 2008**

Borrower and School Phone Lines: (651) 642-0567
(800) 657-3866

Staff are available Monday through Friday, from
8:00 AM to 4:30 PM central time.

PO Box to Mail Applications to: Office of Higher Education
PO Box 64449
St. Paul, MN 55164

Physical Address: Office of Higher Education
1450 Energy Park Drive Suite 350
St. Paul, MN 55108-5227

Fax Number: (651) 642-0570

SELF e-mail address: selfloans@ohe.state.mn.us

SELF Loan Web site: www.selfloan.org

SELF Loan Assistant Manager Sheila Price
(651) 355-0602
sheila.price@state.mn.us

SELF Loan Manager Marilyn Kosir
(651) 355-0600
marilyn.kosir@state.mn.us

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SELF IV LOAN WORKSHEET

Borrower's Name: _____ Loan period: _____

This worksheet will assist in completing the **School's Section** of the SELF Loan application.

Item 16 "Cumulative SELF Loan Debt" Include all prior SELF Loan debt (except the SELF Loan that is being applied for)

Year Dollar Amount

| SELF Loan Limits Chart | | |
|-------------------------------|--------------|-----------------|
| Grade Level | Annual Limit | Aggregate Limit |
| 01 | \$7,500 | \$ 7,500 |
| 02 | \$7,500 | \$15,000 |
| 03 | \$7,500 | \$22,500 |
| 04 | \$7,500 | \$30,000 |
| 05 | \$7,500 | \$37,500 |
| 06-09 | \$9,000 | \$55,500 |

Cumulative SELF Loan Debt _____ **Report this amount in Item 16.**

Item #18 "Federal Loan Eligibility NOT utilized": \$ _____ **Include both unsubsidized and subsidized and Perkins loans. Do not include PLUS loans.**

Item 20 "Estimated Financial Aid" Include all financial aid, loans, etc. the borrower will receive or has been awarded for the loan period.(Except the SELF Loan the borrower is currently applying for).

| <u>Program</u> | <u>Dollar Amount</u> | <u>Program</u> | <u>Dollar Amount</u> |
|----------------|----------------------|----------------|----------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Total Estimated Financial Aid \$ _____ **Report this amount in Item 20.**

Item 21 "Recommended Loan Amount" This is the Maximum Allowable SELF Loan. Choose the **LOWEST** dollar amount resulting from the limits listed below as indicated with an asterik (*).

Student's requested SELF Loan amount (#7) on SELF application (Minimum \$500): \$ _____ *

Cost of Attendance for Loan Period (#19) on SELF application: \$ _____

Estimated Financial Aid for Loan Period (#20) on the SELF application: \$ _____

Equals (#19 minus #20) \$ _____ *

Student's "SELF Annual Grade Level" Limit (See "SELF Loan Limits Chart")
Place dollar amount that corresponds to student's grade level \$ _____ *

Student's "SELF Aggregate Limit" per grade level (See "SELF Loan Limits Chart") \$ _____

Total Cumulative SELF Debt (#16) on the SELF application: \$ _____

Equals...(aggregate limit minus #16) \$ _____ *

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Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350, St Paul, MN 55108-5227

Waiver of SELF Maximum Effort Test

If the student meets the following requirements, a FAFSA is not needed.

_____ Student applied for financial aid last year and was found to demonstrate little or no financial need. The FAFSA must be completed the first year unless the student is a foreign student, undocumented student or graduate student who would not be eligible for aid.

_____ The student's family financial situation has not changed or has not deteriorated since last year.

I, the Financial Aid Administrator, believe that little or no financial need would be found if an application were to be filed this year.

Financial Aid Administrator's Signature

Date Signed

When completed, please place this form in the applicant's financial aid file.

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Name (Printed)

Total SELF funds borrowed \$ _____

SELF EXIT

Please read and initial each statement. I have read and discussed the terms of the SELF Loan with the Financial Aid Administrator and I understand the following:

- _____ 1. The interest rate will vary quarterly throughout the life of the loan.
- _____ 2. It is my responsibility to notify the loan servicer, Firstmark (to link to the servicer go to www.selfloan.org) of any updates regarding name, phone number, or address, or if I return to school.
- _____ 3. During the Repayment Period my minimum monthly payment on all my SELF Loans is \$50.00. All my SELF Loans must be paid off in accordance with the terms of the promissory note.
- _____ 4. **Repayment:**
 - 1) **In School Period:** During the In-School Period, I have been paying interest quarterly that accrued on my loan.
 - 2) **Transition Period:** The Transition Period begins the month after I stop being an In-School Student. It continues for 12 months, unless, I sign the Extended Interest-Option form to continue the Transition Period for another 24 months. During the Transition Period, I will pay accrued interest on my loan each month.
 - 3) **Repayment Period:** The Repayment Period begins at the end of the Transition Period. During the Repayment Period, I will pay monthly installments of principal and interest on my loan.
 - 4) **SELF IV Loans:** All SELF IV Loans begin the Repayment Period no later than 7 years after the first disbursement date on the loan.

I have a choice of two repayment options:

 - a) The Standard Plan involves 1 year of interest only payments followed by monthly interest and principal payments until the loan is paid in full.
 - b) The Extended Plan allows 3 years of interest only payments followed by monthly interest and principal payments until the loan is paid in full.

Signature

Date

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SELF EXIT COUNSELING

1. The interest rate will vary quarterly throughout the life of the loan.
2. It is your responsibility to notify the loan servicer, Firstmark [(651) 265-7666 or toll free (888) 295-0713] of any updates regarding name, phone number, or address, or if you return to school within three years after leaving school and want to return to the in-school status. Firstmark needs to have your current address in order to send monthly bills to you.
3. To access your SELF information online visit Firstmark's web site:
 - Go to www.firstmarkservices.com (or access through www.selfloan.org)
 - Under **Borrowers** click on **Enter Here**
 - If this is the first time you are accessing your information, you must register. Click on **Register Now**. Complete requested information and click on **Submit**.
 - Log-in to view information on your account or make an online payment:
 - Personal Info
 - Disbursement Info
 - Pending Applications
 - General Loan Info
 - Responsible Parties
 - Payment History
4. During the Repayment Period the minimum monthly payment on all SELF Loans is \$50.00.
5. **Repayment:**
 - 1) **In School Period:** During the In-School Period, you pay interest quarterly.
 - 2) **Transition Period:** The Transition Period begins the month after you stop being an In-School Student. It continues for 12 months, unless, you sign the Extended Interest-Option form to continue the Transition Period for another 24 months. The Extended Interest-Option form will be sent out by the Servicer before the 12 month Transition Period ends. During the Transition Period, you will pay accrued interest each month.
 - 3) **Repayment Period:** The Repayment Period begins at the end of the Transition Period. During the Repayment Period, you pay monthly installments of principal and interest.
 - 4) **SELF IV Loans:** All SELF IV Loans begin the Repayment Period no later than 7 years after the first disbursement date on the loan.

You have a choice of two repayment options:

- a) The Standard Plan involves 1 year of interest only payments followed by monthly interest and principal payments until the loan is paid in full.
- b) The Extended Plan allows 3 years of interest only payments followed by monthly interest and principal payments until the loan is paid in full.

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SELF PROGRAM

STATEMENT OF BORROWER'S RESPONSIBILITIES

Borrower's name

Borrower's social security number

Your education loan is a serious, legally binding contract between you and the holder of your note. It is important for you to understand your responsibilities and the consequences if you become delinquent or default on your loan.

YOUR RESPONSIBILITIES:

1. You must repay your loan even if you do not complete your program, are unable to find employment after graduation, or are dissatisfied with the education you receive.
2. You must notify the Servicer if you do any of the following:
 - A. Move
 - B. Graduate
 - C. Withdraw from school
 - D. Drop below half-time status
 - E. Transfer to another school
 - F. Fail to enroll in school for the period for which the loan was intended
 - G. Change your name
4. You do not have any deferment or grace periods on your loan.
5. Your loan has three payment periods which are:
 - A. **In-school**...quarterly interest payments are required while in school.
 - B. **Transition**...monthly interest payments are required for 12 months after graduating or withdrawing from school. Transition can last from 1-3 years.
 - C. **Repayment**...monthly principal and interest payments are required after completion of the transition phase.
6. Your loan will enter transition if you transfer to a non-member SELF school.

CONSEQUENCES OF DELINQUENCY AND DEFAULT:

1. If you fail to make timely payment on your loan, your delinquency and/or default will be reported to a credit bureau. This will seriously affect both you and your co-signer's credit rating and your ability to borrow from any source in the future.
2. The entire unpaid amount of your loan, as well as accrued interest, may become immediately due and payable.
3. Holds may be placed on your future financial aid payments.
4. You and your co-signer's state tax refunds may be seized.
5. Your account may be assigned to a collection agency which will continue to collect the balance due from you and charge collection fees.
6. You may be charged reasonable attorney's fees and other costs of collecting your debt.

I have read this statement along with being counseled by my financial aid office and understand my responsibilities as a borrower and the consequences if I become delinquent or default on my SELF Loan.

Signature of Borrower

Date

Initial's of Financial Aid Administrator

Date

| | | | |
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**Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350, St Paul, MN 55108-5227**

POWER OF ATTORNEY - SELF Program

Because I will not be present to apply for a SELF Loan,

I, _____
(Print Borrower's Name) (Address) (City) (State) (Zip)

do hereby appoint:

(Print Name) (Address) (City) (State) (Zip)

to act on my behalf.

In my absence, I want the above named individual to:

1. Borrow money on my behalf through the SELF Program by signing the SELF Promissory Note;
2. Endorse check(s) made payable to me and to the school by the SELF Program* (funds may be disbursed electronically instead of by check);
3. Make sure my school account, if any, is credited with the proceeds of the loan;
4. If any proceeds remain after paying school charges, make sure that the school either (check one):
 keeps any remaining proceeds on account at the school for me, or
 forwards any remaining proceeds to me.

This power of attorney shall end in the event of my disability.

This power of attorney does not authorize the above named individual to whom I have given power to act on my behalf to transfer my SELF Loan proceeds to himself or herself.

This power of attorney shall end with the disbursement of my last SELF disbursement for the loan period used on the application, or one calendar year after the date written above my signature below, whichever comes first.

In witness of the above statement, I sign my name, this ____ day of _____, _____.

(Borrower's Signature)

(Signature of Person Given Power)

Subscribed and sworn before me this ____ day of

(Signature of Notary Public)

*School is instructed to attach a copy of this form to the check at the time the check is negotiated and sent to the bank for payment.

| | | |
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Office of Higher Education Refund Calculation Worksheet
Last Revised September 2006

Use this worksheet to calculate the minimum refund to the Minnesota State Grant Program, the SELF Loan Program, and other state financial aid programs, with the exception of the State Work Study Program. **(DO NOT** send this to the Agency with refunds. Keep the worksheet for your records.)

Part One

Student Name _____ SS# _____

I. On what date did the student change his/her enrollment status? _____

Amount of funds (financial aid, cash) applied to original institutional charges* (includes post-withdrawal disbursements of Title IV aid applied to institutional charges). NOT TO EXCEED THE AMOUNT OF INSTITUTIONAL CHARGES.** (A) \$ _____

Amount of institutional charges* school can retain per institutional or state mandated refund policy** (B) - \$ _____

GROSS REFUND (A) minus (B) (C) = \$ _____

Amount of Unearned Title IV Aid Due from School (Step 5.O. of Title IV Refund Worksheet) (D) - \$ _____

REMAINING REFUND (C) minus (D) (E) = \$ _____

If amount of GROSS REFUND (C) or REMAINING REFUND (E) is negative or zero, you do not need to complete the rest of this form. The refund due to state aid programs is zero.

II. Did the student drop all credits?

If "Yes", skip to Part Two on reverse side.

If "No", skip to Part Two on reverse side only if there are refunds required for programs other than State Grant. Otherwise, return the **LESSER** of (F) or (G) to the State Grant Program:

● State Grant payment for the original enrollment status \$ _____

State Grant award for the current enrollment status - \$ _____

Difference (F) = \$ _____

OR

● The amount from GROSS REFUND (C) shown above. (G) \$ _____
(If amount is negative, use zero)

*Institutional charges are as defined for Title IV programs under 484B of the Higher Education Act of 1965, as amended, and 34 CFR 668.22.

**If the institution's refund policy is based on the amount of institutional charges the school can retain for the student's entire program, then the amount of financial aid and cash applied to institutional charges on line (A) should be the amount of funds applied to date for the aid year. Otherwise, the amounts on lines (A) and (B) should represent funds applied and charges retained for the term or payment period.

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Part Two

III. In the left column, list total non-Title IV financial aid disbursed to the student for the period during which the student withdrew for all non-Title IV programs requiring a portion of the refund of institutional charges. Total the disbursements. Do not include Federal Title IV aid, student employment earnings or family contributions. For SELF loans, use the total loan divided by the number of attendance periods in the loan period. If an institution's refund policy is based on the amount of charges the school can retain for the student's entire program, the amounts listed in this section should be all aid disbursed to date for the aid year. Otherwise, the amounts listed should be the amounts disbursed for the term or program period. (NOTE: Progressive clock hour schools must calculate an hourly rate for aid disbursed. Refer to the refund section in the State Grant policy and procedures manual for instructions.)

| Non-Title IV Disbursed | Program Name |
|--------------------------------------|--------------|
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| \$ _____ | _____ |
| (H) TOTAL NON-TITLE IV AID DISBURSED | |

Part Three

Refunds for state financial aid programs are calculated on a proportional basis, as shown below. No refunds are required for the State Work Study Program. If the student received funds from other state financial aid programs, the refunds would be calculated in the same manner shown below.

IV. State Grant Program

Divide the amount of State Grant disbursed for the period the student withdrew by the Total Non-Title IV Aid (H) for the same period. This yields the ratio of State Grant to Total Non-Title IV Aid Package.

$$\frac{\text{State Grant}}{\text{Total Non-Title IV Aid Package (H)}} = \text{RATIO OF STATE GRANT TO AID PACKAGE} = \text{_____} \% \text{ (I)}$$

Multiply the REMAINING REFUND (E) by the percentage (I) to produce the minimum refund due to the State Grant Program, not to exceed the actual State Grant payment for the term. If result contains cents, round to nearest dollar

$$\text{\$ _____ (E)} \times \text{_____ \% (I)} = \text{MINIMUM REFUND TO STATE GRANT} = \text{\$ _____}$$

V. SELF Program

Divide the total amount of SELF awarded for the period the student withdrew by the Total Non-Title IV Aid (H) for the same period. This yields the ratio of the SELF loan to the Total Non-Title IV Aid Package, not to exceed the actual SELF disbursement for the term.

$$\frac{\text{SELF Loan}}{\text{Total Non-Title IV Aid Package (H)}} = \text{RATIO OF SELF LOAN TO AID PACKAGE} = \text{_____} \% \text{ (J)}$$

Multiply the REMAINING TUITION REFUND (E) by the percentage (J) to produce the minimum refund due to the SELF Program. If result contains cents, round to the nearest dollar.

$$\text{\$ _____ (E)} \times \text{_____ \% (J)} = \text{MINIMUM REFUND TO SELF} = \text{\$ _____}$$

| | | | |
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SELF Loan Status Definitions
www.firstmarkservices.com

| Status Descriptions | Status Definitions |
|--|--|
| Bankruptcy Chapter 11 Monthly Interest | The borrower/co-signer has filed a Chapter 11 bankruptcy petition and has Monthly Interest Payments Due. |
| Bankruptcy Chapter 11 Quarterly Interest | The borrower/co-signer has filed a Chapter 11 bankruptcy petition and has Quarterly Interest Payments Due. |
| Bankruptcy Chapter 7 Monthly Interest | The borrower/co-signer has filed a Chapter 7 bankruptcy petition and has Monthly Interest Payments Due. |
| Bankruptcy Chapter 7 Quarterly Interest | The borrower/co-signer has filed a Chapter 7 bankruptcy petition and has Quarterly Interest Payments Due. |
| Bankruptcy Chapter 11 | The borrower/co-signer has filed a Chapter 11 bankruptcy petition. |
| Bankruptcy Chapter 13 | The borrower/co-signer has filed a Chapter 13 bankruptcy petition. |
| Bankruptcy Chapter 7 | The borrower/co-signer has filed a Chapter 7 bankruptcy petition. |
| Bankruptcy Adversarial | The borrower/co-signer has filed an Adversarial bankruptcy petition. |
| Claim | The loan is past due at least 120 days and is scheduled to be transferred to Minnesota Office of Higher Education (the Agency). |
| Claim Monthly Interest | The loan with Monthly Interest Payments is past due at least 120 days and is scheduled to be transferred to the Agency. |
| Claim Quarterly Interest | The loan with Quarterly Interest Payments is past due at least 120 days and is scheduled to be transferred to the Agency. |
| Death | Death certificate has been received. |
| Disability | Permanent disability certificate has been received. |
| Default | The loan has been transferred to the Agency. |
| Demand | The principal and interest payments are at least 90 days delinquent and a demand letter has been sent. The borrower must satisfy the entire amount demanded or the loan will go into a claim status. |
| Demand Interest Only | The interest payments are at least 90 days delinquent and a demand letter has been sent. The borrower must satisfy the entire amount demanded or the loan will go into a claim status. |
| Denied | The application has been denied due to not meeting program requirements |
| Demand Quarterly Interest | The quarterly interest payments are at least 90 days delinquent and a demand letter has been sent. The borrower must satisfy the entire amount demanded or the loan will go into a claim status. |
| Extension | The borrower has elected to extend the monthly interest only payments for the loan for an additional twenty-four (24) months. Also referred to as the extended interest only option. |

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| Status Descriptions | Status Definitions |
|--------------------------------|--|
| Forbearance | The borrower is experiencing personal difficulties and has requested a suspension of payments for a short period of time. |
| Claim Filed | The loan is past due more than 120 days and has been transferred to the Agency. |
| Claim Filed Monthly Interest | The loan with Monthly Interest Payments Due is past due more than 120 days and has been transferred to the Agency. |
| Claim Filed Quarterly Interest | The loan with Quarterly Interest Payments Due is past due more than 120 days and has been transferred to the Agency. |
| Grace | The loan is in the twelve-month period after graduation prior to principal and interest repayment beginning. Payment of interest is required on a monthly basis. Also referred to as the transition period |
| Inactive | The application is invalid. |
| Military Deferment | The borrower is in the Military and is required to make only Quarterly interest payments. |
| Military Interest Only | The borrower is in the Military and is required to make only Monthly interest payments. |
| Military Repayment | The borrower is in the Military and is required to make principal and interest payments. |
| Origination | The application has been approved and the loan is waiting for the first disbursement. |
| Paid in Full | The loan has been paid in full. |
| PreOrig-PreApproved | All processing through SELFApp has been completed, co-signer credit has been approved and the school has certified the loan. This indicates the final step of SELFApp. |
| PreOrig-No Cert | All processing through SELFApp has been completed, the co-signer credit has been approved, and certification has been requested of the school. |
| PreOrig-Denied | A SELFApp co-signer was denied during the credit decision process. The loan is denied. |
| PreOrig-Awaiting Signature | A loan is started through SELFApp but not complete. The borrower has e-signed but the co-signer has not agreed to co-sign or performed a credit check. |
| PreOrig-Co-signer Declined | A loan is started through SELFApp but not complete. A co-signer was requested, but declined to co-sign. The borrower has not yet chosen a new co-signer. |
| PreOrig-Incomplete | A loan is started through SELFApp but not complete. It is missing loan information, a credit check and school certification. |
| PreOrig-Awaiting Cos Sig | A loan started through SELFApp but not complete. A co-signer has passed the credit decision but has not e-signed, or the co-signer has not delivered a hand-signed pnote to the Agency. |

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| Status Descriptions | Status Definitions |
|-----------------------------|---|
| PreOrig-Co-signer Requested | A loan started through SELFApp but not complete. A co-signer has been requested but has not yet agreed to co-sign. |
| Pre Origination | An application has been received and is pending review. For TeleSELF transmissions, the borrower and co-signer must return the signed application before further action may be taken. |
| Pre Paid in Full | The final payment has been received on the loan and is waiting for the check to clear the banking system. |
| PreOrig-Credit Research | A loan started through SELFApp but not complete. It has complete loan information but there were problems making a credit decision from the credit report or the loan has been flagged as "Identity Theft." |
| PreOrig-Cancelled | When a borrower cancels a loan application started through SELFApp, using SELFApp. Can be cancelled anytime prior to Origination/Approval. |
| Repayment | The loan is in a monthly payment schedule of principal and interest. |
| School | The loan has had at least one disbursement and the borrower is in school; i.e., the graduation date is in the future. Payments of interest are required on a quarterly basis. |
| Send Back Origination | An application has been returned because of missing information. |
| Temporary Disability | No payments are required and interest will not accrue while in Temporary Disability. |
| Cancelled | The entire loan has been cancelled. |

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1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227

Tel: 651-642-0567
800-657-3866
Fax: 651-642-0675

E-mail: info@ohe.state.mn.us
Web: www.ohe.state.mn.us
www.getreadyforcollege.org



SELF Program Servicing Appeals Process

The servicing of a SELF Loan begins when the first SELF Loan check is disbursed, servicing continues until the loan is paid in full. Firstmark Services (Firstmark) is the loan servicer for the SELF Program. The Minnesota Office of Higher Education (the Agency) pays Firstmark for servicing the SELF Loans. Firstmark is also a servicer for other alternative loan programs. If at any time you, the customer, are not satisfied with the quality of SELF Loan servicing, you are encouraged to voice your concern by contacting Firstmark. Firstmark's telephone numbers are:

SELF Servicing (for concerns on SELF Loans)
(651) 265-7666 or 1-888-295-0713

If after calling Firstmark, you are still not satisfied with the response to your concern about your **SELF Loan**, you are encouraged to follow the formal Appeals Process for **SELF Loans**:

1. Send a letter with your concerns to the Agency either using the form on the back of this page or by creating your own letter. The following information needs to be included as part of the appeal:
 - Date
 - Your Name
 - Your Address
 - Your phone number if you can be reached by phone
 - Your Social Security Number
 - The account number you are writing the appeal for
 - Whether you are the borrower or co-signer
 - Summary of the problem with Firstmark
 - Include copies (not originals) of checks, letters or other documentation to support your appeal

2. Send your letter to the following address:

Manager, Student Loans
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
St. Paul, Minnesota 55108-5227

3. Firstmark and the the Agency Appeals Team will jointly review your letter and you should receive a response within three weeks unless additional time is needed for particularly complicated appeals. The response will be from either Firstmark or the Agency depending upon the situation.

It is the Agency's pledge as your lender, to make sure that Firstmark is properly servicing your SELF Loan. If in your estimation, Firstmark is not accurately or courteously handling the servicing of your SELF Loan, the Agency wants to know about it.

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Please complete the following information for your SELF Loan appeal.

| | | | |
|-------------------------|-----------------------------|-------------|-------------------------------|
| You are: | Borrower | Co-signer | Please circle one |
| Date: | | | |
| Name: | Last | First | MI |
| Address: | Street Number | Street Name | City State Zip code |
| Phone: | area code Work # () | | area code Home # () |
| Social Security Number: | | | |
| Account Number: | | | |

Summary of Problem (please attach additional pages to this form as needed):

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| | Signature |

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RAPID REQUEST FORM

| <i>AGENCY USE ONLY</i> | |
|---------------------------|--|
| <i>Date/Per Call From</i> | |
| <i>Date Sent</i> | |
| <i>Trk #</i> | |

“Please Send the Following Supplies”

| Supply | Qty. |
|---|------------------------------|
| SELF Loan® Application (<i>full box contains 400 applications</i>) | _____ Boxes _____ Singles |
| SELF Loan® Checklist ** | |
| SELF Loan® Brochure | |
| SELF Loan® Fact Sheet ** | |
| SELF Loan® Counseling Post-It® Notes (<i>50 sheets per 1 pad</i>) | _____ Pads |
| SELF Loan® Manual for Financial Aid Administrators ** <i>www.oh.state.mn.us/pdf/famannual/self.pdf (online location)</i> | |

*** These supplies are also located at www.selfloan.org on the left hand column for you to easily print out.*

| |
|---|
| School Name: |
| Name: Attn: Financial Aid Office |
| Address: |
| |
| Phone and E-Mail: |
| School Code/Vendor #: |

***Please order online at www.oh.state.mn.us/self/files/selfOrder.cfm
or fax completed form to (651) 642-0570.***

| | | | |
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SELF Debit Form

Please use this format to insure that the information you have requested is processed quickly and correctly.
Please e-mail all information to selfreturns@firstmarkservices.com

NAME OF SCHOOL: ABC School

VENDOR NUMBER: 001234

YOUR NAME: David Jones

E-MAIL ADDRESS AND CONTACT NUMBER: jones@ohesl.com **800-123-4567**

| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
|--------------|------------------------|------------|
| John Doe | 900-56-7000 | \$3,000.00 |

| DISBURSEMENT DATE | LOAN PERIOD |
|-------------------|---------------------|
| 09/05/08 | 09/01/08 - 05/21/09 |

REASON FOR RETURN: Student withdrew from school.

CHANGES NEEDED (REISSUES or CANCELLATION OF FUTURE DISBURSEMENTS): Cancel loan and any future disbursements.

| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
|--------------|------------------------|------------|
| Jane Doe | 900-78-9000 | \$2,500.00 |

| DISBURSEMENT DATE | LOAN PERIOD |
|-------------------|---------------------|
| 08/28/08 | 08/28/08 - 04/02/09 |

REASON FOR RETURN: Student delayed enrollment until Spring 2009.

CHANGES NEEDED (REISSUES, CANCELS OF FUTURE DISBURSEMENTS): Reissue EFT on 01/13/09.

| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
|--------------|------------------------|----------|
| Sally Doe | 900-11-2000 | \$632.00 |

| DISBURSEMENT DATE | LOAN PERIOD |
|-------------------|--------------------|
| 09/20/08 | 09/15/08 - 5/21/09 |

REASON FOR RETURN: Incorrectly certified for \$4,500.00.

CHANGES NEEDED (REISSUES, CANCELS OF FUTURE DISBURSEMENTS): Reduce the second disbursement to \$1,618.00

GRAND TOTAL: \$6,132.00

| | | | |
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SELF Check Return Form

This form can be used when returning checks to Firstmark to insure that the refund is processed quickly and correctly.

NAME OF SCHOOL:

VENDOR NUMBER:

YOUR NAME:

PHONE NUMBER:

| | | |
|--------------------------|-------------------------------|---------------|
| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
| | | |
| DISBURSEMENT DATE | LOAN PERIOD | |

**REASON FOR RETURN:
CHANGES NEEDED (REISSUES, CANCELS OF FUTURE DISBURSEMENTS):**

| | | |
|--------------------------|-------------------------------|---------------|
| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
| | | |
| DISBURSEMENT DATE | LOAN PERIOD | |

**REASON FOR RETURN:
CHANGES NEEDED (REISSUES, CANCELS OF FUTURE DISBURSEMENTS):**

| | | |
|--------------------------|-------------------------------|---------------|
| STUDENT NAME | SOCIAL SECURITY NUMBER | AMOUNT |
| | | |
| DISBURSEMENT DATE | LOAN PERIOD | |

**REASON FOR RETURN:
CHANGES NEEDED (REISSUES, CANCELS OF FUTURE DISBURSEMENTS):**

Send checks to:

Firstmark
 Attn: Private Loans
 PO Box 25410
 Woodbury, MN 55125-0410

| | | | |
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SELF Borrower's Verification of Enrollment Form

| | |
|-----------------------------|---------------|
| Borrower's Name: | |
| Social Security Number: | |
| School Name: | |
| School Phone Number: () | School Code # |

Attendance Information

Circle One

| | | | | |
|-------|----------|------|------|----------------|
| _____ | TO _____ | FULL | HALF | LESS THAN HALF |
| _____ | TO _____ | FULL | HALF | LESS THAN HALF |
| _____ | TO _____ | FULL | HALF | LESS THAN HALF |
| _____ | TO _____ | FULL | HALF | LESS THAN HALF |
| _____ | TO _____ | FULL | HALF | LESS THAN HALF |

Withdrew
 Graduated
 Still Enrolled*

*If still enrolled, at least a half time student until: _____

| | |
|------------------------|-----------------|
| FAO's Signature: _____ | Date: / / |
|------------------------|-----------------|

Return form to: Firstmark Services
P.O. Box 25410
Woodbury, MN 55125-0410
Fax Number (651) 265-7795

| | | | |
|---|-------------------|-----------------------|------------------|
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SELF Loan[®] Checklist

- Please note that a co-signer is **REQUIRED** for this loan.
- Please remember to keep the borrower and co-signer copies of the Promissory Note/Application before returning it!

YOUR APPLICATION **WILL NOT BE PROCESSED AND WILL BE SENT BACK IF THESE ITEMS ARE NOT COMPLETED:**

BORROWERS:

- Is your name clearly written or typed as LAST, FIRST, MIDDLE INITIAL in #1?
- Is your Billing Address Complete?
- Did you complete #5 with your State of Residence and the Year?
- Is #7 completed with a requested dollar amount?
- If it appears to us that #7 is altered in any way, you will be required to complete a new application.
- Did you sign your application in #9?
- Do you have a co-signer and is their section complete? (**REQUIRED**)
- Is the school section fully completed or stamped Electronically Certified? (*If not, return the application to school for completion of the school section.*)

If your school requires you to do online SELF loan counseling, make sure you have completed the counseling prior to returning the application to the school.

CO-SIGNERS:

- Is your section fully completed?
- Is your name clearly written or typed in #10?
- Is your correct and complete Social Security Number provided in #10b?
- Is #10e fully completed **with ID Number if needed**?
- Did you complete #10f with your relation the person in #1?
- Did you sign #11 in the presence of a Notary?
- Did the Notary stamp or seal #11?

YOUR APPLICATION WILL BE **DENIED** IF:

- The Borrower and/or Co-signer are past due on any previous payments with Firstmark.
- If the Co-Signer does not meet the definition of credit-worthiness.
(*NOTE: Definition of Credit Worthy is stated on the front cover of the application.*)
- If you have already borrowed the SELF grade level maximum.
(*Limits can be found on back cover of application.*)
- If it is received more than 20 days after the end of the loan period.
(*Loan period can be found in the bottom school section #14 of your application.*)

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Reports available for schools on www.firstmarkservices.com:

- **Funding Roster**
This report lists all loans that are scheduled for disbursement for that day.
- **Disbursement Summary**
This report lists disbursement date, gross and net amount and a disbursement date range of the present month and 12 months in the past.
- **Loans Pending Funding**
This report lists all loans with a pending disbursement.
- **Loans Pending Certification**
This report lists loans where the loan has not been certified.
- **CommonLine – Loans Pending Certification**
This report lists loans where the loan has not been certified and school is using “Report Method” to certify.
- **Applications Pending Approval**
This report lists all loans in the PO (pre-origination) status group code.
- **Borrowers Pending Graduation**
This report lists all loans with an Anticipated Graduation Date within 90 days of the current date.
- **Loan Detail Report**
This report lists all loans in detail.

Correspondence sent to schools:

- A weekly report for schools certifying through CommonLine that identifies any SELF Loans that need to be certified by the school.
- A daily letter that identifies any pending disbursements that are being held because of delinquency.
- A daily listing identifying any letters sent to borrowers.

E-mails sent to schools:

- **Online**
When a loan changes into PC (pending certification) status, the school receives an automated e-mail that night letting them know they have loans pending certification and to log onto the SELFApp school Web site to certify or deny the loan.
- **CommonLine**
When a loan changes into PC (pending certification) status, the school will be sent an @1C CommonLine school cert request. The school will also receive an automated e-mail that night from Firstmark letting them know that they have loans pending certification. Also, for schools that participate in CommonLine, Firstmark will send the school a response file if any changes are made on the note.
- **Report**
When a loan changes into PC (pending certification) status, the school will receive an automated e-mail letting them know they have loans pending certification and to log onto www.firstmarkservices.com and view the report titled “CommonLine – Loans Pending Certification.”

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SELF Loan Program Disbursement Checklist

Paper Checks:

Date of Check _____

Amount of Check _____

Date check endorsed by school: _____

Date check endorsed by student: _____

Was student enrolled at least half-time on date check was endorsed by student? _____

Is the student maintaining Satisfactory Academic Progress? _____

Has Exit/Entrance counseling been completed? _____

EFT Funds:

Date of EFT _____

Amount of EFT _____

Date funds posted to student's account: _____

Was student enrolled at least half-time on the date funds were posted to the student's account? _____

Is the student maintaining Satisfactory Academic Progress? _____

Has Exit/Entrance counseling been completed? _____



Achieve Scholarship Program

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I. Minnesota Achieve Scholarship Program

A. Program Objective

To provide financial assistance to eligible students who complete qualifying secondary school coursework.

B. Eligibility to Participate

1. Postsecondary Institutions

All postsecondary institutions that are eligible to participate under Minnesota Statutes 136A.101, Subd. 4.

2. Student Eligibility

- a. Be a United States citizen or eligible non-citizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33; and
- b. be a Minnesota resident as defined in the ‘Common Definitions’ chapter of this manual; and
- c. graduate from Minnesota high school; and
- d. complete the Free Application for Federal Student Aid (FAFSA) for the year in which the student receives the scholarship; and
- e. have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year of postsecondary attendance in the year that the student receives the scholarship as reported on the FAFSA; and
- f. complete one of the defined Rigorous Programs of Study.
 - i. Unless otherwise defined, a student must take and receive at least a grade of C (for the purposes of this program, a ‘C-’ is considered a ‘C’ or above) a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

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C. Application Process

1. Student completes the Minnesota Achieve Scholarship Application.
 - a. Preferred method: student completes online application.
 - b. If student submits paper application to school, school can submit application on behalf of the student via online institutional database access.
 - c. If student submits paper application to the Agency, it will be submitted on behalf of the student into the online database as of the date it is received.

2. Student must submit a complete official secondary school transcript. If the transcript is not sufficient to document that the student completed one of the rigorous programs of study, student may be required to submit additional documentation.
 - a. Additional documentation includes, but is not limited to, an official postsecondary transcript and IB/AP test results.

3. Incomplete applications are held pending receipt of additional documentation. Follow-up letters are sent to applicants requiring additional documentation.

4. Applications and documentation are reviewed by the Minnesota Office of Higher Education to ensure that the student meets eligibility requirements.

D. Notification of Eligibility

1. Students who meet the academic and income requirements will receive an eligibility determination letter via postal mail indicating they are eligible for the scholarship.
2. Eligible students will be instructed to complete an Acknowledgment Form either online or in paper form.

E. Award Process

1. Eligible students will be awarded \$1,200 for qualifying expenses to be disbursed in two equal payments of \$600.
 - a. The first payment to be made within the first term of enrollment.

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- b. The second payment will be made in the second term of enrollment if student successfully completes the first term. For the purposes of this program, successful completion of the first term means:
 - a student has completed all of the courses in the term with a letter grade; or
 - a student has completed the term with a term (not cumulative) GPA of 2.0 or higher.
 - c. The award is available for four years immediately following high school graduation.
2. Eligible students who have applied for the scholarship will be sent a letter notifying them of their eligibility and requesting them to complete an Acknowledgment Form to indicate in which term they would like the first disbursement to be sent and to which institution (see Appendix 3).
 - a. Letter will inform eligible student of the option to decline the scholarship and request it in the future, as long as it is within four years immediately following high school graduation.
 - b. Letter will also state that if student requests the scholarship at a later date in a different financial aid year, the Office will review their income reported on the FAFSA to ensure that income requirements are still met.
 - c. Acknowledgement Form, to be completed by student and submitted to the Office either online or by mail, will include:
 - name of postsecondary institution and
 - first term in which student is requesting scholarship.
 - d. Student must submit the Acknowledgement Form within 30 days of the beginning of the term in order to receive funding in that term.
3. Ineligible students will receive a denial letter with stated reason for denial.
 - a. If student did complete one of the four rigorous programs of study but did not meet the income requirement or is attending an out of state institution, the denial letter will state the student has the option to apply again within the four years immediately following high school graduation if they are attending an eligible institution and the income reported on the FAFSA is below \$75,000.

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F. Disbursement Process

1. Institutions are notified via award and payment rosters of pending disbursements for eligible students who have completed an Acknowledgement Form.
 - a. Award and payment rosters will be generated and available for viewing via the institutional access to the online database.

2. Institutions will also receive a list of students who passed one of the four rigorous programs of study but did not receive a grade of ‘C’ or above in each course for use in determining eligibility for the Federal Academic Competitiveness Grant (ACG).

3. Institutions are instructed to notify the Agency of any disbursements that should be canceled or modified if the student does not enroll or if the student is not an eligible student based on data held at the institution.
 - a. Institutions will be required to verify expected disbursements on the Student Eligibility Confirmation Roster via the institutional access to the online database prior to payment.

4. Funds are transferred to the school via EFT. An accompanying payment roster is generated and available to view and print providing supporting documentation for payment amounts via the online database.

5. Funds must be disbursed for the academic year from which funds are generated as indicated on the roster.

6. Funds may be disbursed to students no more than 10 days prior to the beginning of the term.

7. Disbursements must be based on the student’s status as of the date of disbursement such that, if a student has withdrawn or fails to meet another program eligibility requirement prior to disbursement, the student should not receive funding for that term.

8. All related disbursement guidelines used for the State Grant program apply to the Minnesota Achieve Scholarship program including determination of disbursement date, acceptable

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methods of disbursement, student authorization for EFT transactions, student account balance requirements and other applicable guidelines described in the ‘Disbursement’ section of the ‘State Grant’ chapter in the Financial Aid Manual.

G. Refund Process

1. If a recipient fails to enroll or meet a program eligibility requirement, the entire scholarship must be returned to the Agency.
2. The scholarship is awarded at any enrollment level; however, if the student is enrolled at such a level that the qualifying expenses are less than \$600, the institution must refund the portion of the scholarship that exceeds the qualifying expenses.
3. If the student fully withdraws after the disbursement of funds, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.

H. State Audit Requirements

1. Records Available for Auditors

- a. State auditors will periodically visit each participating school to perform an audit.
- b. The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See ‘Audits’ under ‘Common Definitions’ chapter for further information.)
- c. Each participating school must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar’s Office, but that choice is made by the school.
- d. Each institution must maintain and make available to auditors individual student financial aid files for Minnesota Achieve Scholarship recipients.
- e. Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

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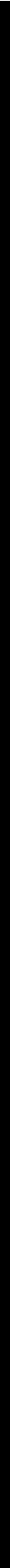
2. Student Eligibility

The school must have written documentation to support the student's eligibility including, but not limited to, the following:

- a. the student's enrollment level at the time of the award disbursement. The actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the Registrar's Office or other responsible department within the school; and
- b. student's Minnesota residency status.

3. Documentation of Refunds

Written documentation supporting individual student refunds to the Minnesota Achieve Scholarship must be retained at the school (i.e., a copy of the calculation worksheet used to calculate the refund).



**Minnesota
Statutes
Governing
Achieve
Scholarship
Program**

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136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** The Achieve Scholarship Program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a “qualifying program” means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program. If the transcript is not sufficient to document a qualifying program, the student may be required to submit further documentation that the office deems sufficient.

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

- (1) submit a Free Application for Federal Student Aid (FAFSA);
- (2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from a Minnesota high school;
- (3) have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year of postsecondary attendance in which the scholarship is used;
- (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33;
- (5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and
- (6) be enrolled for at least three credits per quarter or semester or the equivalent at an eligible institution as defined under section 136A.101, subdivision 4.

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Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. **Application.** A student must complete and submit an application for the Achieve scholarship.

Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve scholarships is the same as that used for the state grant in section 136A.121, subdivision 13.

Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship Program applicants must certify on the application that they meet the income eligibility requirement in subdivision 4, clause (3). The Office of Higher Education or the postsecondary institution may request documentation needed to confirm income eligibility.

Subd. 9. **Scholarship awards.** A student may not receive more than \$1,200 in Minnesota Achieve scholarships, which must be for enrollment during the four-year availability period described in subdivision 12. The scholarships may be used to pay for qualifying expenses at eligible institutions.

Subd. 10. **Qualifying expenses.** Qualifying expenses are components included under the cost of attendance used for federal student financial aid programs, as defined in section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended.

Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to pay qualifying expenses at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student is available for four years immediately following high school graduation. The office must certify to the commissioner of finance by October 1 of each year the amounts to be canceled from scholarship eligibility that have expired.

Subd. 13. **Disbursement of scholarships.** The office shall make two equal payments to a postsecondary institution on behalf of the student. After the student successfully completes the first term of enrollment,

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the second payment must be made during the student's next term of enrollment at an eligible institution. If the second disbursement is not within the same academic year as the first disbursement, the student must request the second disbursement.

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the Office of Higher Education shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the success of the program in increasing the enrollment of students in rigorous high school courses, including, at a minimum, the following information:

- (1) the demographics of individuals participating in the program;
- (2) the grades scholarship recipients received for courses in the qualifying program under subdivision 2;
- (3) the number of scholarship recipients who persisted at a postsecondary institution for a second year;
- (4) the high schools attended by the program participants;
- (5) the postsecondary institutions attended by the program participants;
- (6) the academic performance of the students after enrolling in a postsecondary institution; and
- (7) other information as identified by the director.

EFFECTIVE DATE. This section is effective the day following final enactment and, within the limits of appropriations, applies to students who graduate from high school after January 1, 2008.



**Appendices:
Achieve
Scholarship
Program**

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Appendices: Achieve Scholarship Program

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2008-2009 Minnesota Achieve Scholarship Application

Read instructions before completing application. Incomplete applications will not be processed.

Submit this application with your official high school transcript to the Minnesota Office of Higher Education.

Revised: May 20, 2008

| | | | |
|---|---|---|-------------------------|
| 1. Name (Last, First, Middle) | | | |
| 2. Social Security Number | 3. Date of Birth (month, day, year) | 4. Telephone Number (include area code) | |
| 5. Permanent Home Address | | 6. Student's Email Address | |
| 7. City, State, Zip Code | 8. Are you a Minnesota Resident? (See instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 9. Postsecondary institution(s) in Minnesota you attend or are planning to attend: | | 10. Have you completed a FAFSA? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 11. Indicate the number of credits for which you intend to register for the term/s for which you are requesting funds: <div style="display: flex; justify-content: space-around; width: 100%;"> _____ Summer 2008 _____ Fall 2008 _____ Winter 2009 _____ Spring 2009 _____ Summer 2009 </div> | | | |
| 12. Which rigorous program of study did you complete in high school? (See instructions) <input type="checkbox"/> A set of courses similar to the State Scholars Initiative <input type="checkbox"/> Advanced Placement (AP) or International Baccalaureate (IB) courses and passing test scores <input type="checkbox"/> Minnesota Coursework Requirements <input type="checkbox"/> Minnesota Dual Credit Program PROVIDE AN OFFICIAL COPY OF YOUR COMPLETE HIGH SCHOOL TRANSCRIPT AND ANY ADDITIONAL DOCUMENTATION ALONG WITH THIS APPLICATION THAT CONFIRMS: <ul style="list-style-type: none"> • YOUR GRADUATION FROM A HIGH SCHOOL LOCATED IN MINNESOTA; AND • YOUR COMPLETION OF ONE OF THE REQUIRED RIGOROUS PROGRAMS OF STUDY | | | |
| 13. Did you complete and receive at least a grade of C for all the courses that comprise the rigorous program of study checked in box 12? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 14. Did you graduate from a Minnesota high school? <input type="checkbox"/> Yes <input type="checkbox"/> No If NO, be sure to submit a complete official transcript AFTER graduation from a Minnesota high school. | |
| 15. What is your high school graduation date? (month, day, year) _____/_____/_____ | | 16. In the previous calendar year, was your <u>family</u> adjusted gross income less than \$75,000? (See instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| STUDENT CERTIFICATION: Please check the box next to each statement indicating that you understand the statement: | | | |
| <input type="checkbox"/> I understand and accept the obligation to provide a written report to the Office of Higher Education of any changes in information provided on this application. <input type="checkbox"/> I give permission to my college, my high school and the Office of Higher Education to verify the information provided on this application with other offices administering financial aid programs. <input type="checkbox"/> I give permission to my college to release information regarding my college application, enrollment and grade performance to the Office of Higher Education for use in awarding the scholarship and for use in evaluation reports for the program. <input type="checkbox"/> I give permission to my college and the Office of Higher Education to enter the information from this application onto the web-based application on my behalf. <input type="checkbox"/> I certify that the information on this application is true and correct. <input type="checkbox"/> I promise to provide additional documentation if requested. <input type="checkbox"/> I understand that this form is used to establish eligibility for the Minnesota Achieve Scholarship and that if I purposely give false or misleading information on this form, I may be subject to a fine, prison sentence or both; and such action may result in the forfeiture of future awards from this program. <input type="checkbox"/> I understand that all awards are subject to the availability of funds. | | | |
| Student's Signature | | | Date (month, day, year) |

Submit this application along with an official high school transcript and any additional documentation to:

Minnesota Achieve Scholarship
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
Saint Paul, Minnesota 55108

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2008-2009 Minnesota Achieve Scholarship Application Instructions

IMPORTANT: Read instructions before completing application. Incomplete applications will not be processed.

The application must be accompanied with a complete official high school transcript and any additional documentation to confirm the applicant has graduated from a high school located in Minnesota and has completed one of the rigorous program of study.

The Minnesota Achieve Scholarship provides financial assistance in the amount of \$1200 to eligible Minnesota high school graduates who have completed any one of four sets of rigorous programs of study while in high school or in a home-school setting. The student must have graduated from a Minnesota high school and completed, with a grade of 'C' or above, all of the required courses. The student must also be a Minnesota resident as defined below, be attending an eligible Minnesota postsecondary institution and enrolled for at least 3 credits or the equivalent. The student must have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year the student is requesting funds. The award is available for four years immediately following high school graduation. Eligible students will receive the award in two equal payments. The first disbursement of \$600 in the first term and the remaining \$600 after the student has successfully completed the first term.

APPLICATION QUESTIONS

Question #8: To be eligible the student must meet the definition of Minnesota resident used for state financial aid programs. Answer 'yes' to the question if you meet one of the following definitions:

Minnesota resident is:

1. a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 consecutive months without being enrolled at a postsecondary institution for more than five credits in any term; or
2. a dependent student whose parent or legal guardian resided in Minnesota at the time the 2008-2009 FAFSA was completed; or
3. a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or
4. a student who, after residing in the State of Minnesota for a minimum of one year, earned a high school equivalency certificate in Minnesota; or
5. an independent student who was granted residency as a dependent and has not since left the State of Minnesota; or
6. a student who is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c; or
7. a student (or spouse of) who relocated to Minnesota from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education; or
8. a student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota; or
9. a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident..

Question #12: To be eligible the student must have completed, unless otherwise stated, with a grade 'C' or above in each course, one of the following four rigorous programs of study while in high school or in a home-school setting:

1. A set of courses similar to the State Scholars Initiative:

- Four years of English;
- Three years of math (including Algebra I and a higher level course such as Algebra II, geometry, or data analysis and statistics);
- Three years of science (including at least two courses from biology, chemistry or physics);
- Three years of social studies; and
- One year of a foreign language.

2. Advanced Placement (AP) or International Baccalaureate (IB) courses and test scores

- This program requires a minimum of two Advanced Placement (AP) or International Baccalaureate (IB) courses in high school and a minimum passing score on the exams for those classes. Students must score 3 or higher on AP exams and 4 or higher on IB exams.

3. Minnesota Coursework Requirements

- Four years of language arts;
- Three years of math, including one year each of geometry and two years of algebra, one of which is intermediate or advanced algebra;
- Three years of science, including one year each of a biological and physical science;
- Three years of social studies; and
- Two years of a single foreign language.

4. Minnesota Dual Credit Program

- With a passing grade of "B" or better: High school students taking BOTH a math course (Algebra 2 level or higher) AND a science course (Biology, Chemistry or Physics) under the Postsecondary Enrollment Options (PSEO) program worth a total of at least 6 college credits.

STUDENT CERTIFICATION

Check each box to show you have read the box then sign and date the application. Submit the application to the MN Office of Higher Education along with an official high school transcript to the address listed on the application.

NOTICE TO APPLICANTS

Section 7(b) of the Federal Privacy Act of 1974 (5 U.S.C. 552a) requires that when any federal, state, or local government agency asks you to disclose your Social Security Account Number, you must be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it. Accordingly, you are being advised that disclosure of your Social Security number is voluntary.

The Social Security number will be used to verify your identity, and as an identifier of your file in order to record necessary data accurately. As an identifier, the Social Security number is used in the Minnesota Achieve Scholarship Program for such purposes as processing the application form, program evaluation, and reporting and notification of program eligibility and award amount to your postsecondary institution.

Pursuant to Minnesota Statutes, Sec. 13.04, subd. 2 (2004), you are hereby informed that the information supplied in this application may be used as follows: (1) in the processing and verification of the data supplied to determine your eligibility for this program; (2) for compilation and analysis of summary data relative to this program; and (3) for dissemination of information to the school. You are not required to provide the information supplied in this application. However, failure to submit requested data may prevent further processing of this application. The information supplied in this application may be shared with other public and private individuals and entities in order to use the information for the purposes specified above.

The Office of Higher Education does not discriminate on the basis of disability in the admission or access to, or treatment or employment, in its programs or activities. This document can be made available in an alternative format to individuals by calling (651) 642-0567.

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Minnesota Recognized Rigorous Secondary School Programs of Study

If otherwise eligible, all students, including private school students, home-schooled students, students enrolled in Department of Defense Overseas Schools, and Bureau of Indian Affairs students may qualify for an ACG under the rigorous secondary school program of study options pre-recognized by the Secretary. These options include a set of courses similar to the State Scholars Initiative and the Advanced Placement (AP) or International Baccalaureate (IB) courses and test scores as detailed below.

The eligibility options for a student graduating from secondary school in Minnesota during the 2008 calendar year are:

- ***A set of courses similar to the State Scholars Initiative.*** This program of study requires passing grades in the following:
 - four years of English;
 - three years of math (including Algebra I and a higher level course such as Algebra II, geometry, or data analysis and statistics);
 - three years of science, including one year each of at least two of the following courses: biology, chemistry and physics;
 - three years of social studies; and
 - one year of a language other than English.

- ***Advanced Placement (AP) or International Baccalaureate (IB) courses and test scores.*** This program requires a minimum of two Advanced Placement (AP) or International Baccalaureate (IB) courses in high school and a minimum passing score on the exams for those classes. Students must score 3 or higher on AP exams and 4 or higher on IB exams.

- ***Minnesota Coursework Requirements.*** This program requires:
 - four years of language arts;
 - three years of math, including one year each of geometry and two years of algebra, one of which is intermediate or advanced algebra;
 - three years of science including one year each of a biological and physical science;
 - three years of social studies; and
 - two years of a single foreign language.

- ***Minnesota Dual Credit Program.*** With a passing grade of “B” or better: High school students taking BOTH a math course (Algebra 2 level or higher) AND a science course (Biology, Chemistry, or Physics) under the Postsecondary Enrollment Options (PSEO) program worth a total of a least 6 college credits shall meet the rigorous course of study requirement for the Academic Competitiveness Grant.

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**Award Acknowledgement Form
2008-2009 Minnesota Achieve Scholarship**

**Read instructions before completing and submitting form.
Incomplete forms may result in a delay in processing.
(Revised: June 27, 2008)**

**MINNESOTA
OFFICE OF
HIGHER
EDUCATION**

| | | | | |
|--|-----------|-------------------------------------|----------------------------|---|
| 1. Name (Last, First, Middle) | | | | |
| 2. Social Security Number | | 3. Date of Birth (month, day, year) | | 4. Telephone Number (include area code) |
| 5. Permanent Home Address | | | 6. Student's Email Address | |
| 7. City, State, Zip Code | | | | |
| 8. Name of Minnesota post-secondary institution you are attending or planning to attend: | | | | |
| 9. Circle the first term for which you are requesting funds: | | | | |
| Summer 2008 | Fall 2008 | Winter 2009 | Spring 2009 | Summer 2009 |
| IMPORTANT INFORMATION FOR STUDENTS | | | | |
| <ul style="list-style-type: none"> • The 2008-2009 non-renewable Achieve scholarship award amount is \$1,200. • Eligible students who acknowledge the award will receive the award in two equal payments. • The first disbursement will be made directly to the institution in the first term the funds are requested. • The second disbursement will be made automatically during the student's next term provided: <ul style="list-style-type: none"> ◦ the institution confirms that the student successfully completed the first term; and ◦ the student is enrolled at the same institution; and ◦ the next term is within the same financial aid year (July 1-June 30). • The one-time scholarship award is available for four years immediately following high school graduation. However, the MN Office of Higher Education will evaluate the household income information for the financial aid year in which the award is acknowledged to ensure the student is still eligible. • To be eligible, students must be attending an eligible institution in Minnesota and enrolled for at least 3 credits (or the equivalent). | | | | |
| STUDENT CERTIFICATION | | | | |
| Please check the box next to each statement indicating that you understand the statement: | | | | |
| <input type="checkbox"/> I understand and accept the obligation to provide a written report to the Office of Higher Education of any changes in information provided on this form. | | | | |
| <input type="checkbox"/> I give permission to my college, my high school and the Office of Higher Education to verify the information provided on this form with other offices administering financial aid programs. | | | | |
| <input type="checkbox"/> I give permission to my college and the Office of Higher Education to enter the information from this form onto a web-based application on my behalf. | | | | |
| <input type="checkbox"/> I certify that the information on this form is true and correct. | | | | |
| <input type="checkbox"/> I promise to provide additional documentation if requested. | | | | |
| <input type="checkbox"/> I understand that this form is used to establish eligibility for the Minnesota Achieve Scholarship and that if I purposely give false or misleading information on this form, I may be subject to a fine, prison sentence or both; and such action may result in the forfeiture of future awards from this program. | | | | |
| <input type="checkbox"/> I understand that all awards are subject to the availability of funds. | | | | |
| Student's Signature | | | Date (month, day, year) | |

**Submit this form to:
Minnesota Achieve Scholarship
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
Saint Paul, Minnesota 55108**

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2008-2009 Minnesota Achieve Scholarship Award Acknowledgement Instructions

Revised: June 24, 2008

**MINNESOTA
OFFICE OF
HIGHER
EDUCATION**

IMPORTANT INFORMATION FOR STUDENTS

- The **2008-1009** non-renewable Achieve scholarship award amount is \$1,200.
- Eligible students who acknowledge the award will receive the award in two equal payments.
- The first disbursement will be made directly to the institution in the first term the funds are requested.
- The second disbursement will be made automatically during the student's next term of enrollment at an eligible institution provided:
 - the institution confirms that the student successfully completed the first term; and
 - the student is enrolled at the same institution; and
 - the next term is within the same financial aid year (July 1–June 30).
- The one-time scholarship award is available for four years immediately following high school graduation. However, the MN Office of Higher Education will evaluate the household income information for the financial aid year in which the award is acknowledged to ensure the student is still eligible.
- To be eligible, students must be attending an eligible institution in Minnesota and enrolled for at least 3 credits (or the equivalent).
- If the student fails to successfully complete the first term in which they received an award, the student is no longer eligible for the remaining disbursement.
- If the student successfully completes the first term but is not attending the same institution for the second term, the student is required to notify the MN Office of Higher Education before a second term award will be sent to a new institution.
- If the student successfully completes the first term but the second term of eligibility is during a different financial aid year, the student must complete a new Acknowledgement Form and the MN Office of Higher Education will evaluate the household income information for that financial aid year to ensure the student is still eligible for the second term of the scholarship award.

ONLINE AWARD ACKNOWLEDGEMENT INSTRUCTIONS

1. Go to www.getreadyforcollege.org/achieve.
2. Click on 'Achievement Scholarship Award Acknowledgement.'
3. Enter the user name and password provided to you on your Eligibility Determination letter.
4. Enter the first term in which you are requesting scholarship funds.
5. Enter the name of the postsecondary institution that you are currently attending or plan to attend.
6. Click on 'SAVE CHANGES' to submit your information.

PAPER AWARD ACKNOWLEDGEMENT INSTRUCTIONS

1. Complete the attached Award Acknowledgement Form.
2. Make sure to clearly print your name and personal information as well as the name of the postsecondary institution that you are currently attending or plan to attend in order to prevent any delay.
3. Be sure that you indicate, by circling, the first term in which you are requesting scholarship funds.
4. Submit paper form by postal mail to the address listed below:

Submit this form to:
Minnesota Achieve Scholarship
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
Saint Paul, Minnesota 55108



**Minnesota
Indian
Scholarship
Program**

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Section I

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I. Minnesota Indian Scholarship Program (MISP)

A. Program Objective

To provide postsecondary financial assistance to eligible Minnesota resident students who are of one-fourth or more American Indian ancestry and demonstrate financial need for an award.

B. Eligibility to Participate

1. Postsecondary Institutions

- a. All accredited degree programs in accredited Minnesota colleges or universities; and
- b. courses in accredited Minnesota business, technical or vocational schools; and
- c. Minnesota colleges that are in candidacy status for obtaining full accreditation and are eligible for and receiving federal financial aid; and
- d. Minnesota higher education institutions that have joint programs with other accredited higher education institutions.

2. Student Eligibility

- a. Minnesota resident as defined for state financial aid programs; and
- b. one-fourth or more American Indian ancestry; and
- c. has completed the FAFSA and applied for other state and federal scholarship and grant programs; and
- d. meets Satisfactory Academic Progress (SAP) as defined by the institution; and
- e. demonstrates financial need for an award.
 - Undergraduate students must have a qualifying EFC for either a federal Pell Grant or Minnesota State Grant and have unmet financial need after all forms of gift aid are subtracted from the Title IV cost of attendance.
 - Graduate students must have unmet financial need after all forms of gift aid are subtracted from the Title IV cost of attendance.
- f. Undergraduate students must be enrolled on a three-quarter time basis or more and graduate students must be enrolled at least half time.
- g. Must not be in default on a student loan or, if in default, has regained eligibility for federal student aid.

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C. Application Process

1. A complete application must be on file in order for student to be eligible to receive funds. A complete application includes a complete student section of the Minnesota Indian Scholarship Application (see Appendix 1), a complete School Budget Sheet (see Appendix 2) and verification of the student's one-fourth or more American Indian ancestry.

2. Student completes student portion of the Minnesota Indian Scholarship Application (see Appendix 1).
 - a. Preferred method: student submits application online via the web application available on OHE website.
 - b. If student submits updated version of paper application that contains release, schools and tribal scholarship office officials can submit application online on behalf of student via school/tribal official database access.
 - c. If student submits paper application to MISP, it will be entered into the application database as of the date it is received.

3. School completes School Budget Sheet (see Appendix 2) section of application.
 - a. Preferred method: school submits budget sheet online via the school official database access.
 - b. If school submits paper budget sheet to MISP, it will be entered into the database as of the date it is received.

4. Verification of one-fourth or more American Indian ancestry must be submitted or on file with the Minnesota Office of Higher Education (the Agency).
 - a. Student can submit one or a combination of Certificates of Indian Blood that verifies a combined blood quantum of one-fourth or more American Indian ancestry.
 - b. Verification may also be furnished by the tribal enrollment book for Minnesota's Chippewa/Ojibwe bands held by the Agency.
 - c. Verification may also be provided by tribal offices.

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5. Complete applications are ranked in order of completion date. If there are multiple applications with identical completion dates, those applications are further sorted by application receipt date. The completion date is the date all documentation needed for a complete application has been submitted to the Agency.

6. Incomplete applications are held pending receipt of additional documentation. Follow-up letters are sent to applicants requiring additional documentation. Institutions are able to view a list of incomplete applications via the online database. Periodically, schools will receive a reminder if they have incomplete applications missing School Budget Sheets.

D. Award Process

1. Complete applications are ranked in order of completion date. If there are multiple applications with identical completion dates, those applications are further sorted by application receipt date.

2. Awards are determined based on student's unmet financial need based on the following calculation:

Student's Total Cost of Attendance Used for Federal Financial Aid Programs

- Expected Family Contribution (from FAFSA)
- Federal Pell Grant
- Federal SEOG Grant
- Federal ACG or SMART Grant
- Minnesota State Grant
- Other gift aid, including tribal scholarships

= MN Indian Scholarship Award Amount
(Based on guidelines)

3. Student's total cost of attendance is that used for federal student financial aid programs and includes tuition, fees, books, supplies, transportation, room and board and miscellaneous expenses.

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4. Award amount guidelines:
 - a. Maximum Award: \$4,000 per award year for undergraduate students and \$6,000 per award year for graduate students.
 - b. Students are eligible to receive a scholarship for up to five years of study at the undergraduate level and an additional five years of study at the graduate level.
 - c. Students in certificate, diploma or associate degree programs are eligible to receive the scholarship for no more than three years in order to reserve the remaining two years of undergraduate eligibility for the completion of a bachelors degree.
 - d. Students may receive the scholarship for only one degree per level and one doctorate or professional degree.

5. Awards are made until all available program funding has been awarded. Overawarding of the program appropriation is allowed due to the historical rate of refunds returned for recipients who do not enroll. Once funds are initially exhausted, remaining applicants are placed on a waiting list in order of application completion date.

6. Annual awards are based on a nine-month academic year and divided into two semester or three quarter installments. Upon request by the student or school, the annual award may be divided into three semester or four quarterly installments for students enrolled for a 12-month period. Summer awards can also be made in cases where the student is not enrolled for all terms of the standard academic year.

7. Award rosters are generated for colleges each time awards are made throughout the year and a listing of all award rosters will be available to view via the online database. A listing of recipients by tribal affiliation is also generated for each tribal scholarship office located in Minnesota and available for viewing via the online database.

E. Disbursement Process

1. Institutions are notified via award or payment rosters of pending disbursements for awarded students shortly before funds are sent to institution.

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- a. Award and payment rosters will be generated and available for viewing via the institutional access to the online database.

2. Institutions are instructed to notify the Agency of any disbursements that should be canceled or modified if student statuses have changed.
 - a. Institutions will be required to verify expected disbursements on award rosters via the institutional access to the online database prior to payment.

3. Funds are transferred to the school via EFT. An accompanying payment roster is generated to provide supporting documentation for payment amounts and is available to view or print via the online database.

4. Funds must be disbursed for the academic year from which funds are generated. Funds may be disbursed to students as soon as students are registered for the term in question. Disbursements must be based on the student's status as of the date of disbursement such that, if a student has withdrawn or dropped below three-quarter time enrollment for undergraduate students or half time enrollment for graduate students or fails to meet another program eligibility requirement prior to disbursement, the student may not receive funding for that term.

5. All related disbursement guidelines used for the State Grant program apply to the Minnesota Indian Scholarship program including determination of disbursement date, acceptable methods of disbursement, student authorization for EFT transactions, student account balance requirements and other applicable guidelines described in the 'Disbursement' section of the 'State Grant' chapter in the Financial Aid Manual.

F. Refund Process

1. If a recipient fails to enroll or meet a program eligibility requirement, the entire scholarship must be returned to the Agency within 30 days of the receipt of funds at the school.

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2. Schools may retain funds for more than 30 days if the school has proof that they have contacted the student and that the student will start the applicable term at a later date.

3. If a recipient withdraws or reduces enrollment below three-quarter time for undergraduate students or half-time for graduate students, the institution must refund the unused portion of the award to the Agency. To determine the correct refund amount, refer to the Refund Calculation Worksheet in the ‘State Grant’ chapter of the Financial Aid Manual, Appendix 13.

4. Refunded money is available for awards to other eligible students on the waiting list.

G. State Audit Requirements

1. Records Available for Auditors

- a. State auditors will periodically visit each participating school to perform an audit.
- b. The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See ‘Audits’ under the ‘Common Definitions’ chapter of the Financial Aid Manual for further information.)
- c. Each participating school must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar’s Office, but that choice is made by the school.
- d. Each institution must maintain and make available to auditors individual student financial aid files for Minnesota Indian Scholarship recipients.
- e. Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

2. Student Eligibility

The school must have written documentation to support the student’s eligibility including, but not limited to, the following:

- a. The student’s enrollment level in an eligible program at the time of the award disbursement. The actual documentation, such as a fee statement or transcript, need not

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be kept at the audit location but must be readily available at the Registrar's Office or other responsible department within the school; and

- b. The student met the other program eligibility requirements described in the 'Eligibility to Participate' section of this chapter with the exception of proof of Indian ancestry, which is maintained by the Agency.

3. Documentation of Refunds

Written documentation supporting individual student refunds to the MISAP must be retained at the school (i.e., a copy of the calculation worksheet used to calculate the refund).

4. Return of Checks

- a. MISAP funds not issued to students must be returned to the Agency within 30 days of the beginning of the academic term or 30 days from the receipt of the funds at the school, whichever is later.
- b. The funds must be returned with the applicable payment roster or a copy of that roster.
- c. Documentation of such refunds must be retained at the school.
- d. Schools may retain funds more than 30 days if the school has proof that they have contacted the student and that the student will start the applicable term later.
- e. Schools must be able to identify the date on which the funds were disbursed to the student and the corresponding dollar amount.
- f. Amounts returned to the program must also be documented for individual students (copy of the payment roster with refunds indicated).



**Minnesota
Statutes
Governing
Minnesota
Indian
Scholarship
Program**

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136A.126 INDIAN SCHOLARSHIPS.

Subdivision 1. **Student eligibility.** The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to a Minnesota resident student who:

- (1) is of one-fourth or more Indian ancestry;
- (2) has applied for other existing state and federal scholarship and grant programs;
- (3) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent;
- (4) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution; and
- (5) in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education.

Subd. 2. **Eligible programs.** Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions.

Subd. 3. **Cost of attendance.** The total cost of attendance shall include tuition and required fees charged by the institution and the campus-based budget used for federal financial aid for food, housing, books, supplies, transportation, and miscellaneous expenses.

Subd. 4. **Award amount.**

- (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting:
 - (1) the expected family contribution as calculated by the federal need analysis;
 - (2) the amount of a federal Pell Grant award for which the applicant is eligible;

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- (3) the amount of the state grant;
- (4) the sum of all federal Supplemental Educational Opportunity Grant, federal Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain Talent Grant (SMART Grant) awards;
- (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;
- (6) the sum of all tribal scholarships;
- (7) the amount of any other state and federal gift aid; and
- (8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

- (1) the maximum award for an undergraduate is \$4,000 per academic year;
- (2) the maximum award for a graduate student is \$6,000 per academic year; and
- (3) the minimum award for all students is \$100 per academic year.

(d) Scholarships may not be given to any Indian student for more than ~~five~~ three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

EFFECTIVE DATE. This section is effective the day following final enactment.



**Appendices:
Minnesota
Indian
Scholarship
Program**

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Appendices: Minnesota Indian Scholarship Program

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| MINNESOTA OFFICE OF HIGHER EDUCATION | MN Indian Scholarship Program MN Office of Higher Education 1450 Energy Park Dr., Suite 350 St. Paul, MN 55108 (800) 657-3866 (651) 642-0567 | MINNESOTA INDIAN SCHOLARSHIP PROGRAM APPLICATION INSTRUCTIONS | 2008-2009 |
| | | | DUE: July 1st |
| | | | Page 1 |

Read instructions before completing application. Incomplete applications will not be processed.

Return the application to:
 Minnesota Indian Scholarship Program
 Minnesota Office of Higher Education
 1450 Energy Park Drive, Suite 350
 St. Paul, MN 55108-5227

PROGRAM INFORMATION

The Minnesota Indian Scholarship Program provides postsecondary financial assistance to eligible Minnesota resident students who are of ¼ or more Indian ancestry and demonstrate financial need for an award. Eligible students must be attending eligible accredited institutions in Minnesota. Scholarships are available to eligible undergraduate students enrolled at least ¾ time and graduate students enrolled at least half time who are meeting Satisfactory Academic Progress (SAP) requirements as defined by the institution and have completed a Free Application for Federal Student Aid (FAFSA) and applied for other state and federal scholarship and grant programs. Students are eligible to receive a scholarship for up to five years of study at the undergraduate level and an additional five years of study at the graduate level and may receive the scholarship for only one degree per undergraduate educational level and one terminal degree. The award amount is based on need up to \$4,000 per year for undergraduate students and up to \$6,000 for graduate students. Scholarships are awarded on a ‘first come – first served’ basis based on the date your **complete** application is received at the MISP office at the address listed above or via an online application.

COMPLETE APPLICATION CHECKLIST

In order for your application to be considered complete once received at the MISP office, your application must include the following:

- The name of the college and the campus location, if applicable, that you plan to attend or are already attending
- A complete mailing address, to ensure that we can correspond with you
- A complete budget sheet completed by a school official in the financial aid office at your college
- Documentation of ¼ Indian Ancestry showing blood quantum must accompany the application unless you have applied for the MISP before and it was submitted with your previous application
- Student signature and date

PRIORITY DEADLINE CONSIDERATION

Priority deadline is **July 1st**. In order to be considered for priority funding you must:

- Step 1: Complete a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov
- Step 2: Complete student section of attached Minnesota Indian Scholarship Program Application
- Step 3: Request college financial aid office to complete school budget section of application
- Step 4: Submit complete MISP Application, including student section and school budget section to the MISP at the address listed
- Step 5: If applying for tribal scholarship, submit copy of completed MISP application to tribal scholarship office

IMPORTANT INFORMATION

- Scholarships are awarded on a ‘first come – first served’ basis based on the date your **complete** application is received at the MISP office at the address listed above or via an online application.
- If we require additional information, we will contact you via U.S. mail and/or your submitted email address.
- We make every attempt to contact you in regards to your application status via U.S. Mail and/or email, but if it is returned with no forwarding address, notification is sent to your college and will remain as the only notification.
- It is **YOUR** responsibility to contact us if you have a change of address or other information.
- It is **YOUR** responsibility to get **ALL** requested information to us as soon as you can, as delays may result in lack of funding.
- Registering on the **FIRST** day of class may result in a lack of funding or delayed disbursement of your MISP award if your college has to recalculate your budget.
- Undergraduate students must be registered for ¾ time or more and graduate students at least half time. Applications will not be considered for students not registered at the required enrollment level.
- We recommend that you apply for a tribal scholarship as soon as possible
- We recommend that you contact your college financial aid office after you have submitted your MISP application to ensure that all the required documentation has been received

QUESTIONS??

- If you need assistance filling out this application or have any questions, please contact us at:
Telephone Number 1-800-657-3866 or (651) 642-0567 Option 1.
- You can also submit email inquiries to sandy.bowes@state.mn.us.
- Be sure to specify your inquiry is related to the Minnesota Indian Scholarship Program.

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| MINNESOTA OFFICE OF HIGHER EDUCATION | MN Indian Scholarship Program MN Office of Higher Education 1450 Energy Park Dr., Suite 350 St. Paul, MN 55108 (800) 657-3866 (651) 642-0567 | MINNESOTA INDIAN SCHOLARSHIP PROGRAM APPLICATION (Revised 1/14/08) | 2008-2009 |
| | | | DUE: July 1st |
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| | |
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| GENERAL INFORMATION: <ul style="list-style-type: none"> ▪ Please print or type this application to be considered for the Minnesota Indian Scholarship Program (MISP) and return it to the MISP Office at the address listed above. ▪ In order to be considered for priority funding, a complete application must be received by the MISP and your FAFSA must be complete by July 1st of the year you plan on attending school. ▪ If your complete application is received after this date or you complete the FAFSA after this date, it may result in a lack of funding or a delay in disbursement. <p>Please complete steps #1-5 by July 1st in order to be considered for priority funding:</p> <ol style="list-style-type: none"> 1. Complete a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov 2. Complete student section of attached Minnesota Indian Scholarship Program Application 3. Request college financial aid office to complete school budget section of application 4. Submit complete MISP Application, including student section and school budget section to the MISP 5. If applying for tribal scholarship, submit copy of completed MISP application to tribal scholarship office | TYPE OF APPLICATION <input type="checkbox"/> New (never applied) <input type="checkbox"/> Renewal (applied to program before) |
| | TERMS OF ATTENDANCE <input type="checkbox"/> SSII (Starts after July 1) <input type="checkbox"/> Fall <input type="checkbox"/> Winter <input type="checkbox"/> Spring <input type="checkbox"/> SSI (Starts before June 30) |

STUDENT SECTION – ALL INFORMATION REQUIRED

| | | | | | |
|--|---------|---|---------------------------|----------------------------------|--------------|
| Name (Last, First, Middle) | | | Social Security Number | | |
| Please list ALL names, including maiden name, that you have used | | | Date of Birth | | |
| Mailing Address | | | E-Mail Address | | |
| City | State | Zip Code | Telephone Number () - | | |
| Permanent Address (if different from mailing address) | | City | State | Zip Code | |
| College and campus site attending | | | | | |
| Gender <input type="checkbox"/> Male <input type="checkbox"/> Female | | Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Other (Divorced, Separated etc.) | | | |
| Degree seeking <input type="checkbox"/> Certificate/Diploma <input type="checkbox"/> Associate's <input type="checkbox"/> Bachelor's <input type="checkbox"/> Graduate/Master's <input type="checkbox"/> Doctorate or Professional | | Major/Program | | Expected Graduation (month/year) | |
| Did you graduate from high school? <input type="checkbox"/> YES <input type="checkbox"/> NO | If YES: | High School (Name, City, State) | Year of Graduation | If NO: | Year of GED: |
| Tribal Affiliation (check one): <input type="checkbox"/> Enrolled in Tribe <input type="checkbox"/> Combination | | Note: All new applicants <u>must</u> attach documentation from all tribe/s verifying ¼ or more Indian blood. If combination, <u>must</u> provide documentation showing percentage from each tribe. | | | |
| Please list all tribes with which you are affiliated (If Minnesota Chippewa Tribe, indicate band): | | | | | |
| Tribe and Band (if applicable): | | Tribal Address (include city, state, zip): | | | |
| Tribe and Band (if applicable): | | Tribal Address (include city, state, zip): | | | |
| Tribe and Band (if applicable): | | Tribal Address (include city, state, zip): | | | |

STUDENT CERTIFICATION AND PERMISSION FOR RELEASE OF INFORMATION

Please check the box next to each statement indicating that you understand the statement:

| |
|---|
| <input type="checkbox"/> I understand and accept the obligation to provide a written report to the college financial aid office of any changes in information provided on this application. |
| <input type="checkbox"/> I give permission to my college, the MISP and tribal offices to verify the information provided on this application and to obtain information for all funding sources relating to this application and for verifying my degree of Indian ancestry. |
| <input type="checkbox"/> I give permission to my college, the MISP and tribal officials to enter the information from this application onto the web-based application on my behalf. |
| <input type="checkbox"/> I certify that the information on this application is true and correct and I promise to provide additional documentation if requested. |
| <input type="checkbox"/> I understand that this form is used to establish eligibility for the MISP and that if I purposely give false or misleading information on this form, I may be subject to a fine, prison sentence or both; and such action may result in the forfeiture of future awards from this program. |
| <input type="checkbox"/> I understand that any changes in my FAFSA, Pell Grant, MN State Grant, or other financial aid may cause my scholarship award to be adjusted. |
| <input type="checkbox"/> I understand that all awards are subject to the availability of funds. |

| | |
|------------------------------|---------------|
| _____ Applicant Signature | _____ Date |
|------------------------------|---------------|

FINANCIAL AID OFFICER: PLEASE COMPLETE "PAGE 3" BUDGET SHEET ➤

| | | |
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| | | | |
|---|---|--|--|
| MINNESOTA OFFICE OF HIGHER EDUCATION | MN Indian Scholarship Program MN Office of Higher Education 1450 Energy Park Dr., Suite 350 St. Paul, MN 55108 (800) 657-3866 (651) 642-0567 | MINNESOTA INDIAN SCHOLARSHIP PROGRAM BUDGET SHEET (FOR FINANCIAL AID OFFICE USE ONLY) | 2008-2009 DUE: July 1st Page 1 |
|---|---|--|--|

| IDENTIFICATION INFORMATION | | |
|----------------------------|------------------------|---|
| Student Name | Social Security Number | Does student meet MN State Grant residency requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Institution Name | Federal School Code | City, State |

| FINANCIAL AID OFFICE VERIFICATION OF INFORMATION | | | | | | |
|---|--|--|--|---|---|-------|
| School Official (please print) | Signature | Date | Telephone Number () - | | | |
| ISIR date this budget/EFC is based on: | | | Check here if Budget Sheet sent to Tribal Scholarship Office: <input type="checkbox"/> | | | |
| Type of Budget: | <input type="checkbox"/> First Budget <input type="checkbox"/> Revision | <input type="checkbox"/> Revision, Summer Add On <input type="checkbox"/> Summer Only | Revisions: <input type="checkbox"/> 1st Revision Date: | <input type="checkbox"/> 2 nd Revision Date: | <input type="checkbox"/> 3 rd Revision Date: | |
| Student Will be Attending <input type="checkbox"/> Full Time <input type="checkbox"/> 3/4 Time <input type="checkbox"/> 1/2 Time (1/2 time students are not eligible) | Current Student Status: <input type="checkbox"/> Eligible <input type="checkbox"/> Academic Suspension <input type="checkbox"/> Withdrawal <input type="checkbox"/> In Default on Federal Loan <input type="checkbox"/> Other: | | Current degree student is seeking: <input type="checkbox"/> Certificate/Diploma <input type="checkbox"/> Associate's <input type="checkbox"/> Bachelor's <input type="checkbox"/> Graduate/Master's <input type="checkbox"/> Doctorate or Professional | | | |
| Budget Period: | From: | To: | Total Cost of Attendance for this Budget Period: | | \$ | |
| Resources: | Parent Contribution: \$ | Student Contribution: \$ | Total Resources (EFC): | | \$ | |
| IMPORTANT: | Please list any grants, scholarships, and institutional aid the student is receiving. Please do not list federal or private loans. Start Date will determine MISP disbursement date. Enrollment level used to determine if student is eligible each term. | | | | | |
| TERMS | SSII | FALL | WINTER | SPRING | SSI | TOTAL |
| Start Date (for disbursement) | | | | | | |
| Enrollment Level (FT, 3QT, HT) | | | | | | |
| Assessed Need (COA – EFC) | \$ | \$ | \$ | \$ | \$ | \$ |
| FEDERAL/ STATE/ COLLEGE GIFT AID DO NOT INCLUDE LOANS | PELL | \$ | \$ | \$ | \$ | \$ |
| | SEOG | \$ | \$ | \$ | \$ | \$ |
| | MN ST GT | \$ | \$ | \$ | \$ | \$ |
| | | \$ | \$ | \$ | \$ | \$ |
| | | \$ | \$ | \$ | \$ | \$ |
| BALANCE | \$ | \$ | \$ | \$ | \$ | \$ |

| TRIBAL AND MISP FUNDING (FOR MISP OFFICE ONLY) | | | | | | |
|---|------|------|--------|--------|-----|-------|
| TERMS | SSII | FALL | WINTER | SPRING | SSI | TOTAL |
| DATE | | | | | | |
| TRIBE | \$ | \$ | \$ | \$ | \$ | \$ |
| MISP | \$ | \$ | \$ | \$ | \$ | \$ |

Comments:

| VERIFICATION OF AWARDED FUNDING | | |
|---------------------------------|-----------------------------------|--|
| Awarded by: _____ w/ _____ | Signature – Authorized MISP Staff | Signature – Tribal Scholarship Officer |
| | | Date |

| STAMP DATE INFORMATION | |
|---|--|
| Date Application with incomplete budget received at MISP: | |
| Date budget sheet sent to PSI: | |
| Date received at PSI: | Date this completed budget received at MISP: |



Minnesota GI Bill Program

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Section I

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Section III

Appendices: Minnesota GI Bill Program..... 1

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I. Minnesota GI Bill Program

A. Program Objective

To provide postsecondary financial assistance to eligible Minnesota veterans and to the children and spouses of deceased or severely disabled eligible Minnesota veterans.

B. Eligibility to Participate

1. Postsecondary Institutions

- a. All public postsecondary institutions that are eligible to participate under Minnesota Statutes 136A.101, Subd. 4 and Agency Rules 4830.0300 are required to participate.
- b. Private postsecondary institutions that are eligible to participate under Minnesota Statutes 136A.101, Subd. 4 and Agency Rules 4830.0300 are encouraged to participate.
- c. **Note:** Graduate schools licensed or registered with the state of Minnesota serving only graduate students are also eligible.
- d. Each institution must also sign an institutional agreement with the director.

2. Student Eligibility

- a. Institutions must verify that the student is eligible for the Minnesota GI Bill.
- b. Institutions must first determine if student is an eligible veteran, non-veteran, dependent child or spouse based on the following criteria.

(1) Eligible Veteran

- He or she is a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001.
- For purposes of this program, a veteran is (see Minnesota Statutes 197.791, subdivision 1, h):
 - service member who was discharged under honorable conditions after serving on active duty for 181 consecutive days; or
 - service member who was discharged under honorable conditions due to a disability incurred while on active duty; or

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- service member who has served on active duty for 90 days or more in a foreign country during a ‘time of hostilities’ (see Minnesota Statutes 197.791, subdivision 1, g); or
 - been awarded any of the following medals:
 - i. Armed Forces Expeditionary Medal;
 - ii. Kosovo Campaign Medal;
 - iii. Afghanistan Campaign Medal;
 - iv. Iraq Campaign Medal;
 - v. Global War on Terrorism Expeditionary Medal; or
 - vi. any other campaign medal authorized for service after September 11, 2001; or
 - service member who received a service related medical discharge during any period of service in a foreign country during a ‘time of hostilities’ (see Minnesota Statutes 197.791, subdivision 1, g).
 - **Documentation Required:** To document eligibility, the school must have a copy of the veteran’s DD214 or other separation documentation showing that the veteran served on or after September 11, 2001, and meets the military service requirements.
 - The veteran’s DD214 or other separation documentation should reflect that they were released under any condition other than “dishonorable.”
 - If student served less than 181 consecutive days, DD214 should document that student served in a foreign country during a ‘time of hostilities’ in that country or list one of the eligible medals.
 - **Note:** If a student has 181 consecutive days of active duty, the student’s active duty service does not have to be for purposes other than training.
 - Also, the veteran should be receiving benefits under the federal GI Bill fund. If the veteran is not receiving federal GI Bill benefits, the reason should be noted.
- (2) Eligible Non-Veteran
- He or she is a non-veteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other

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active or reserve component of the United States armed forces and any part of that service occurred on or after September 11, 2001.

- **Documentation Required:** If this student does not qualify as a veteran, the student still should have a DD214 or other separation documentation showing that he or she has completed basic and initial individual training. The DD214 or other separation documentation will then state that the student has been released to his or her home unit.
- In addition, the student should provide the institution with a letter or other official documentation from the military confirming that the student has served five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces.
- Part of the student’s service must have occurred on or after September 11, 2001.
- If the student is not receiving federal GI Bill benefits, the reason should be noted.
- **Note:** Student does not have to be currently serving to be eligible.

(3) Eligible Dependent Child or Spouse

- The student is the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or
- The student is the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration.
- “Child” means a natural or adopted child of the veteran (Minnesota Statutes 197.791, subdivision 1, d).
- **Documentation Required:** Veteran’s DD214 showing that their service was on or after September 11, 2001, and documentation that the student is receiving federal Chapter 35 benefits.
- If student is not receiving Chapter 35 benefits, the reason should be noted and additional documentation regarding the veteran’s status must be provided to school.

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c. Minnesota Residency

The student (veteran, spouse or child) must also meet the definition of Minnesota resident as defined in the ‘Common Definitions’ chapter of this manual.

d. Additional Eligibility Requirements

The student receiving the educational assistance must also meet the following requirements:

- An undergraduate or graduate student at an eligible institution.
- Maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs.
- Enrolled in an education program leading to a certificate, diploma or degree at an eligible institution. For definition of a “Certificate Program,” see the ‘Common Definitions’ chapter of this manual.
- Has applied for the Minnesota GI Bill prior to the end of the academic term for which the assistance is being requested. The student (veteran, spouse or child) must apply each fiscal year. The eligible student may receive funds from the Minnesota GI Bill if he or she has applied prior to the last date of the term as stated in the institution’s catalog.
- Is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5). Institutions can view the applicant’s hold status on the State Grant Web Access Screen to check for child support compliance.
- All students, undergraduate and graduate, must have completed the Free Application for Federal Student Aid (FAFSA).

e. Ineligibility

A person’s eligibility terminates when the person becomes eligible for benefits under section 135A.52, which means a person who has reached 62 years of age before the beginning of any term, semester or quarter in which a course of study is pursued.

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C. Application Process

1. Minnesota GI Bill Application

- a. The eligible student may receive funds from the Minnesota GI Bill if he or she has applied prior to the last date of the term as stated in the institution's catalog.
- b. The student (veteran, non-veteran, spouse or child) must apply each fiscal year.
- c. If an application is received by the school with insufficient documentation, the student must be notified within 30 days of receipt of the application that the application is pending and include a list of the required documentation needed in order to determine eligibility.
- d. If a complete application is received, the school must notify the student of their eligibility or ineligibility within 30 days of receipt of the application.

D. Award Calculation

1. Each eligible student shall be awarded on a funds-available basis an amount based on the following calculation (see Minnesota Statutes 197.791, subdivision 5):

Student's Minnesota GI Bill Budget
 - Federal Pell Grant
 - Minnesota State Grant
 - Federal VA Educational Benefits
 = Minnesota GI Bill Award Amount
 (based on guidelines)

2. The eligible student's Minnesota GI Bill budget is defined as:
 - a. Undergraduate Student Budget: 1.2 times the State Grant award calculation for the student.
 - Using State Grant budget for degree program in which student is enrolled (four-year or less than four-year program).
 - Using number of credits student is enrolled (1-15).
 - Prorated based on student's enrollment level.
 - b. Graduate Student Budget: 1.2 times the maximum State Grant award calculation for a four-year program.

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- Using maximum budget for a four-year student.
- Using number of credits student is enrolled (1-8).
- Prorated based on student's enrollment level using eight as the maximum enrollment level and prorated down to one.

Note: Full-time and part-time enrollment levels for graduate students are still defined by the institution.

c. Less the amount received or will receive in that semester or term from:

- the federal Pell Grant;
- the Minnesota State Grant program; and
- any federal military or veteran's educational benefits including, but not limited to, the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits and any other federal benefits associated with the person's status as a veteran, except veteran's disability payments from the United States Veterans Administration.

Note: Do not subtract state benefits from the budget.

d. The remainder is the per term amount of the award within the following guidelines.

(1) Undergraduate Students

- May not receive more than \$3,000 per state fiscal year and no more than \$10,000 during their lifetime.
- For students taking 12 credits or more for a semester or term, the per-term maximum award is \$1,000.
- For students taking fewer than 12 credits, the per-term maximum is \$500.

(2) Graduate Students

- May not receive more than \$3,000 per state fiscal year and no more than \$10,000 during their lifetime.
- For students considered full time by the institution, the per-term maximum award is \$1,000.
- For students considered part-time by the institution, the per-term maximum is \$500.

(3) The minimum per term award amount is \$50.

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3. Awards for Summer or Non-Standard Terms

Students may apply for and receive funding up to the annual maximum award amount. Therefore it is highly likely that some students will be eligible for funding for three full-time semesters or four full-time quarters. This will often times take place in the summer and overlap fiscal years. Such terms are referenced to as “crossover” terms.

- a. If a term does not overlap two fiscal years, it must be paid from the fiscal year in which it occurs.
- b. When a crossover term overlaps two fiscal years (begins before and ends after July 1), funding may come from either fiscal year. The institution may decide from which fiscal year to draw funds on a student-by-student basis.
- c. When a crossover term overlaps fiscal years, the need analysis, laws, rules and policies in place for the fiscal year from which funding is drawn must be applied when calculating the award and must also be applied to the other financial aid programs from which the student is receiving assistance for that term.

E. Recalculation

1. If student receives or is expected to receive additional federal veterans benefits that were not anticipated in the original calculation, the institution must recalculate the current award as well as any subsequent awards.

Note: Federal VA benefit monthly award amounts are updated on October 1 of each year.

- a. Any award calculated or recalculated prior to October 1 should be awarded based on the previous year benefit amounts.
 - b. Any award calculated or recalculated after October 1 should be awarded based on the current year (updated) benefit amounts.
2. The institution does not have to adjust the award of a student who drops or adds courses after the institution’s drop/add period unless:
 - a. the student receives a form of veteran’s benefits not included in the original award calculation; or
 - b. the student fully withdraws.

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- If the student fully withdraws, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.
3. The institution must recalculate if EFC changes occur during a term and for all subsequent terms.

F. Disbursement Process

1. Award is to be disbursed by academic term unless the school chooses to disburse more frequently. An institution may not make a payment to a student for a payment period or period of enrollment, as applicable, until the student is enrolled (registered) for classes for that period.
2. The institution must return to the Minnesota GI Bill program any funds paid to a student who, before the first day of classes:
 - a. officially or unofficially withdraws; or
 - b. is expelled; or
 - c. fails to attend any classes.

G. Refund Process

If the student fully withdraws, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.

H. Procedures for Denial/Termination or Appeal

1. Denial

A school may provide the student with denial letter indicating why they were not eligible.

2. Appeal

- a. An applicant may appeal the denial in writing to the commissioner at any time.
- b. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires.
- c. The decision of the commissioner regarding an appeal is final.

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- d. An applicant whose initial appeal has been rejected may submit an additional appeal in writing at any time that the applicant is able to provide substantively significant additional information regarding eligibility for the program.
- e. An approval of an applicant's eligibility following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

I. Allocation of Minnesota GI Bill Funds

- Initial allocation amounts may be based on an estimated number of veterans attending the institution, the number of eligible students and prior year usage.
- Institutions will be asked prior to the initial allocation to complete a request to participate and to estimate the amount of Minnesota GI Bill funds they will need.
- Institutions will be notified of the expected initial allocation prior to the Agency distribution of the funds.
- Participating schools will receive 50 percent of their initial annual allocation in September and the remaining 50 percent in December.

1. Reallocation

- a. Institutions may request additional funds if the initial allocation does not cover its anticipated need for the current fiscal year.
- b. In November, schools will be able to adjust their scheduled December disbursement amount if it exceeds their need for funds.
- c. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools that need additional funding.
- d. Reallocation and refund notifications will be emailed to schools on a regular basis to ensure that the funds are being awarded and disbursed to students' accounts throughout the fiscal year.

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J. Management of Funds

1. Accountability for Funds

- a. Each participating school is accountable for all Minnesota GI Bill funds disbursed to students.
- b. Funds may be used only during the fiscal year of allocation.
- c. The school must implement procedures and controls to ensure proper accountability.
- d. The school may subcontract for the administration of the program, but this does not relieve the school's responsibility for proper administration.
- e. When Minnesota GI Bill funds are received from the Agency, the school may either deposit the funds in a separate account or combine the funds with other institutional funds.
- f. A separate account is preferable.
- g. If combined with other institutional funds, a fund source number must be traceable to all activity within the account.
- h. Each school must institute control procedures such as the establishment of new account numbers at the beginning of a new fiscal year to ensure that funds from one fiscal year are not carried over to the next fiscal year and that a deficit is not covered by funds from a following fiscal year.

2. Excess Funds

- a. Excess funds are those funds that will not be expended on student awards.
- b. The business office must keep the financial aid office regularly informed (monthly or bi-monthly reports are recommended) of the balance in the account so the financial aid administrator can determine whether Minnesota GI Bill spending is expected to exceed or fall short of the amount of funds allocated to the institution.
- c. The Agency will periodically request information regarding the use of funds during the fiscal year.
- d. Excess funds should be returned to the Agency within 30 days of the refund/reallocation request.
- e. Returned funds will be used to reallocate funds to other eligible institutions.

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- f. At the end of the fiscal year, excess funds must be returned to the Agency no later than August 30 to allow for institutions to award eligible students for a crossover term.

3. State Reports and Data Collection

- a. Participating institutions must correctly complete and submit the following forms and reports by the applicable deadline dates:
- Institutional Request for Participation, and
 - Reallocation/Refund Request, and
 - End of Year Report and supplements.
- b. Each school must maintain accurate and current records for every participating student.
- c. In order to evaluate the effectiveness of the program, the school must collect demographic, educational and financial data specified by the Agency from eligible students.
- d. Upon request, the school must also report information about students who received awards, students who are on the waiting list and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available.
- e. An institution's allocation for the next aid year shall be withheld if the deadline date is not met or if the report is incomplete or incorrectly completed and must be returned to the school for correction and re-submission to the Agency.

J. State Audit Requirements

1. Records Available for Auditors

- a. State auditors will periodically visit each participating school to perform an audit.
- b. The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See 'Audits' under 'Common Definitions' chapter for further information.)
- c. Each participating school must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the school. In most cases, these will be the Financial Aid Office, the Business Office and the Registrar's Office, but that choice is made by the school.

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- d. Each institution must maintain and make available to auditors individual student financial aid files for Minnesota GI Bill recipients.
- e. Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

2. Student Eligibility

The school must have written documentation to support the student's eligibility including, but not limited to, the following:

- a. the student's enrollment level in an eligible program at the time of the award disbursement. The actual documentation, such as a fee statement or transcript, need not be kept at the audit location but must be readily available at the Registrar's Office or other responsible department within the school; and
- b. the student met the other program eligibility requirements described in the 'Eligibility to Participate' section of this chapter.

3. Documentation of Refunds

Written documentation supporting individual student refunds to the Minnesota GI Bill must be retained at the school (i.e., a copy of the calculation worksheet used to calculate the refund).



**Minnesota
Statutes
Governing
Minnesota
GI Bill
Program**

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197.791 MINNESOTA GI BILL PROGRAM.

Subdivision 1. Definitions.

- (a) The definitions in this subdivision apply to this section.
- (b) “Commissioner” means the commissioner of veterans affairs, unless otherwise specified.
- (c) “Cost of attendance” for undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2. Cost of attendance for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2, using the tuition and fee maximum established by law for four-year programs. For purposes of calculating the cost of attendance for graduate students, full time is eight credits or more per term or the equivalent.
- (d) “Child” means a natural or adopted child of a person described in subdivision 4, paragraph (a), clause (1), item (i) or (ii).
- (e) “Eligible institution” means a postsecondary institution under section 136A.101, subdivision 4, or a graduate school licensed or registered with the state of Minnesota serving only graduate students.
- (f) “Program” means the Minnesota GI Bill program established in this section, unless otherwise specified.
- (g) “Time of hostilities” means any action by the armed forces of the United States that is recognized by the issuance of a presidential proclamation or a presidential executive order in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order, and any additional period or place that the commissioner determines and designates, after consultation with the United States Department of Defense, to be a period or place where the United States is in a conflict that places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.
- (h) “Veteran” has the meaning given in section 197.447. Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:
 - (1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country; or
 - (2) been awarded any of the following medals:
 - (i) Armed Forces Expeditionary Medal;
 - (ii) Kosovo Campaign Medal;
 - (iii) Afghanistan Campaign Medal;
 - (iv) Iraq Campaign Medal;

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- (v) Global War on Terrorism Expeditionary Medal; or
- (vi) any other campaign medal authorized for service after September 11, 2001; or
- (3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Subd. 2. **Program established.** The Minnesota GI Bill Program is established to provide postsecondary educational assistance to eligible Minnesota veterans and to the children and spouses of deceased and severely disabled Minnesota veterans.

The commissioner, in cooperation with eligible postsecondary educational institutions, shall administer the program for the purpose of providing postsecondary educational assistance to eligible persons in accordance with this section. Each public postsecondary educational institution in the state must participate in the program and each private postsecondary educational institution in the state is encouraged to participate in the program. Any participating private institution may suspend or terminate its participation in the program at the end of any semester or other academic term.

Subd. 3. **Duties; responsibilities.**

- (a) The commissioner shall establish policies and procedures including, but not limited to, procedures for student application record keeping, information sharing, payment of educational assistance benefits, and other procedures the commissioner considers appropriate and necessary for effective and efficient administration of the program established in this section.
- (b) The commissioner may delegate part or all of the administrative procedures for the program to responsible representatives of participating eligible institutions. The commissioner may execute an interagency agreement with the Office of Higher Education for services the commissioner determines necessary to administer the program.

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Subd. 4. **Eligibility.**

- (a) A person is eligible for educational assistance under this section if:
- (1) the person is:
 - (i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001;
 - (ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;
 - (iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or
 - (iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;
 - (2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and
 - (3) the person receiving the educational assistance:
 - (i) is an undergraduate or graduate student at an eligible institution;
 - (ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;
 - (iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;
 - (iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;
 - (v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and
 - (vi) has completed the Free Application for Federal Student Aid (FAFSA).
- (b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.
- (c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an

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eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

- (d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.
- (e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Subd. 5. Benefit amount.

- (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.
- (b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:
- (1) the federal Pell Grant;
 - (2) the state grant program under section 136A.121; and
 - (3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration.

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- (c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:
- (1) \$1,000 per semester or term of enrollment;
 - (2) \$3,000 per state fiscal year; and
 - (3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Subd. 6. **Insufficient appropriation.** If the amount appropriated is determined by the commissioner to be insufficient to pay the benefit amounts in subdivision 5, the commissioner must reduce the amounts specified in subdivision 5, paragraph (c), clauses (1) and (2).

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to qualifying coursework taken on or after that date.



**Appendices:
Minnesota
GI Bill
Program**

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Appendices: Minnesota GI Bill Program

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2008-2009 Minnesota GI Bill Program Application (Revised 07/09/2008)

Read instructions before completing application. Incomplete applications will not be processed. Submit this application with a copy of your DD-214 form to the Financial Aid Office of the institution you will attend.

| | | | | |
|--|-------------------------------------|--|---|--|
| 1. Name (Last, First, Middle) | | | | |
| 2. SSN or Student Number | 3. Date of Birth (month, day, year) | | 4. Telephone Number (include area code) | |
| 5. Permanent Home Address | | | 6. Student's Email Address | |
| 7. City, State, Zip Code | | | 8. Are you a Minnesota Resident (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 9. Name of post-secondary institution(s) you are attending or plan to attend: | | | 10. Have you completed a FAFSA? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 11. Indicate the number of credits for which you intend to register for the term/s for which you are requesting funds: | | | | |
| _____ Summer 2008 _____ Fall 2008 _____ Winter 2009 _____ Spring 2009 _____ Summer 2009 | | | | |
| 12. I am (check one of the four boxes below): (See instructions) | | | | |
| <input type="checkbox"/> A veteran who is serving or has served honorably in the U.S. armed forces at any time on or after September 11, 2001. <input type="checkbox"/> A non-veteran who served honorably in the Minnesota National Guard (or any other active or reserve component of the U.S. armed forces) for 5 or more years cumulatively and any part of that service occurred on or after September 11, 2001. <input type="checkbox"/> A surviving spouse <input type="checkbox"/> or dependent <input type="checkbox"/> of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of military service or who has a total and permanent service-connected disability as rated by the U.S. Veterans Administration. PROVIDE COPY OF SERVICE PERSON'S DD-214 AND ANY DOCUMENTATION TO FINANCIAL AID OFFICE IN SUPPORT OF ITEM CHECKED IN THIS BOX | | | | |
| 13. Dates of military service for service person: From _____ to _____ | | 14. Periods of active duty for service person: From _____ to _____ From _____ to _____ | | |
| 15. Circle branch of service for service person: Army Marines Navy Air Force Coast Guard | | 16. Circle type of military service for service person: Regular National Guard Reserve | | |
| 17. Is the service person still serving? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 18. If no, did the service person receive an honorable discharge? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 19. Have you received Minnesota GI Bill funds at another college during this fiscal year (July 1, 2008 to June 30, 2009)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, which college? _____ | | 20. List the monthly amounts of all types of federal veterans benefits you receive or expect to receive: Montgomery GI Bill (Chapter 30, 1606, 1607): \$ _____ month Montgomery GI Bill Kicker: \$ _____ month Federal Vocational Rehabilitation stipend: \$ _____ month Other federal veteran's benefits: _____ Other federal benefit amount: \$ _____ month | | |
| 21. Will you apply for Active Duty, National Guard or Reserve Federal Tuition Assistance Program or Continuing Education Program? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| STUDENT CERTIFICATION: Please check the box next to each statement indicating that you understand the statement: | | | | |
| <input type="checkbox"/> I understand and accept the obligation to provide a written report to the college financial aid office of any changes in information provided on this application. <input type="checkbox"/> I give permission to my college and the Office of Higher Education to verify the information provided on this application with other offices administering veteran's benefits programs. <input type="checkbox"/> I give permission to my college and the Office of Higher Education to enter the information from this application onto the web-based application on my behalf. <input type="checkbox"/> I certify that the information on this application is true and correct and I promise to provide additional documentation if requested. I understand that this form is used to establish eligibility for the Minnesota GI Bill program and that if I purposely give false or misleading information on this form, I may be subject to a fine, prison sentence or both; and such action may result in the forfeiture of future awards from this program. <input type="checkbox"/> I understand that any changes in my FAFSA, Pell Grant, MN State Grant, Federal VA Benefits may cause my award package to be adjusted. <input type="checkbox"/> I understand that all awards are subject to the availability of funds. | | | | |
| Student's Signature | | | Date (month, day, year) | |

| | | |
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Minnesota GI Bill Program Application Instructions
Read instructions before completing application. Incomplete applications will not be processed.

- Step 1: Student completes the application once each year and submits application to the financial aid office.**
Step 2: Student completes the Free Application for Federal Student Aid (FAFSA).
Step 3: School financial aid office determines the MN GI Bill benefit and notifies eligible students.
Step 4: If any of the federal veteran's benefits reported on the application change, the applicant must notify their school.

The MN GI Bill benefit amount is calculated by subtracting the student's federal Pell Grant, MN State Grant and other federal veteran's benefits from the calculation budget. The maximum benefit amount for an undergraduate student registered for 12 credits or more is \$1,000 per term. The maximum benefit amount for an undergraduate student registered for 11 credits or less is \$500 per term. Graduate students considered full time by their institution are eligible for a maximum of \$1000 and graduate students considered part time by their institution are eligible for a maximum of \$500 per term. The maximum benefit amount per fiscal year—July 1 through June 30—is \$3,000, up to a lifetime maximum benefit of \$10,000. The amount of the budget used to calculate the award will be reduced according to the number of credits for which the student is registered.

The student must: 1) be a current Minnesota resident for state financial aid programs; 2) apply before the last day of the term for which benefits are requested; 3) be less than 62 years old before the beginning of the term for which benefits are requested; 4) be current on child support obligations, if applicable; 5) be enrolled in an eligible MN postsecondary institution in a certificate, diploma or degree program; and 6) be making satisfactory academic progress in their academic program.

APPLICATION QUESTIONS

Question #8 – A Minnesota resident is:

1. a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 consecutive months without being enrolled at a postsecondary institution for more than five credits in any term; or
2. a dependent student whose parent or legal guardian resided in Minnesota at the time the 2008-2009 FAFSA was completed; or
3. a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or
4. a student who, after residing in the State of Minnesota for a minimum of one year, earned a high school equivalency certificate in Minnesota; or
5. an independent student who was granted residency as a dependent and has not since left the State of Minnesota; or
6. a student who is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c; or
7. a student (or spouse of) who relocated to Minnesota from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's postsecondary education; or
8. a student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota; or
9. a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident.

Question #12 – In order to be eligible, a student must meet one of the following three definitions:

1. A **veteran** who is serving or has served honorably in the U.S. armed forces at any time on or after September 11, 2001 and is a:
 - service member who was discharged under honorable conditions after serving on active duty for 181 consecutive days or was discharged under honorable conditions due to a disability incurred while on active duty; or
 - service member who has served on active duty for 90 days or more in a foreign country during a 'time of hostilities' or received a service-related medical discharge during any period of service in a foreign country during a 'time of hostilities'; or
 - service member who has been awarded any of the following medals: (i) Armed Forces Expeditionary Medal; (ii) Kosovo Campaign Medal; (iii) Afghanistan Campaign Medal; (iv) Iraq Campaign Medal; (v) Global War on Terrorism Expeditionary Medal; (vi) any other campaign medal authorized for service after September 11, 2001.
2. A **non-veteran** who served honorably in the Minnesota National Guard (or any other active or reserve component of the U.S. armed forces) for 5 or more years cumulatively and any part of that service occurred on or after September 11, 2001.
3. A **surviving spouse or dependent** of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of military service or who has a total and permanent service-connected disability as rated by the U.S. Veterans Administration.

STUDENT CERTIFICATION

Check each box to show you have read the box then sign and date the application. Give the application to the postsecondary institution you attend or plan to attend. The institution will notify you of your eligibility.

NOTICE TO APPLICANTS

Section 7(b) of the Federal Privacy Act of 1974 (5 U.S.C. 552a) requires that when any federal, state, or local government agency asks you to disclose your Social Security Account Number, you must be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it. Accordingly, you are being advised that disclosure of your Social Security number is voluntary.

The Social Security number will be used to verify your identity, and as an identifier of your file in order to record necessary data accurately. As an identifier, the Social Security number is used in the Minnesota GI Bill program for such purposes as processing the application form, program evaluation, and reporting and notification of program eligibility and award amount to your postsecondary institution.

Pursuant to Minnesota Statutes, Sec. 13.04, subd. 2 (2004), you are hereby informed that the information supplied in this application may be used as follows: (1) in the processing and verification of the data supplied to determine your eligibility for this program; (2) for compilation and analysis of summary data relative to this program; and (3) for dissemination of information to the school. You are not required to provide the information supplied in this application. However, failure to submit requested data may prevent further processing of this application. The information supplied in this application may be shared with other public and private individuals and entities in order to use the information for the purposes specified above.

The Office of Higher Education does not discriminate on the basis of disability in the admission or access to, or treatment or employment, in its programs or activities. This document can be made available in an alternative format to individuals by calling (651) 642-0567.

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| 2008-2009 Minnesota GI Bill Eligibility Checklist and Calculator | | | | | |
|--|--|----|--|-------------------------------|--|
| Student Name | | | | SSN/Student Number | |
| Date of Birth | | | | Student is a MN Resident | |
| Student completed FAFSA | | | | Program Level | |
| Student is a | | | | Veteran Documentation on File | |
| Military Service Dates | | to | | Active Duty Dates | |
| | | to | | to | |
| Veteran Branch of Service | | | | Veteran Type of Service | |
| | | | | Veteran Discharge Status | |
| School's Full-Time Annual State Grant Budget* | | | | | |
| <small>*The full-time State Grant Budget consists of the lesser of full-time (30 semester credits or 45 quarter credits) annual average or capped tuition and fees, plus a uniform living and miscellaneous expense (LME) allowance. For 2008-2009, the annual tuition cap for a student enrolled in a 4-yr program is \$9,838 and \$5,808 for a student enrolled in a 2-year program. The standard annual full-time LME is \$6,200. Clock hour schools with a 900-hour academic year must prorate the LME to \$5,072.</small> | | | | | |
| MN GI Bill Enrollment Level | | | | | |
| MN GI Bill Full-Time Annual Cost of Attendance | | | | | |
| Number of Terms/Payment Periods in School's Academic Year | | | | | |
| MN GI Bill Full-Time Term Cost of Attendance | | | | | |
| Number of Credits for Which Student is Enrolled for Term | | | | | |
| Proration Multiplier for Enrollment Level | | | | | |
| MN GI Bill Term Cost of Attendance (Prorated for Enrollment Level) | | | | | |
| Student Term Federal Pell Grant Amount | | | | | |
| Student Term State Grant Amount | | | | | |
| Student Term Montgomery GI Bill (Chapter 30, 1606, 1607) | | | | | |
| Student Term Montgomery GI Bill Kicker | | | | | |
| Student Term Federal VA Vocational Rehabilitation Stipend | | | | | |
| Student Term Federal Tuition Assistance | | | | | |
| Student Term Other Federal Veterans Benefits | | | | | |
| Student Term Remaining Need | | | | | |
| Student Term MN GI Bill Award Amount** | | | | | |
| <small>**Undergraduate Students: For students taking 12 credits or more for a semester or term, the per term maximum award is \$1,000. For students taking fewer than 12 credits, the pre term maximum is \$500. May not receive more than \$3,000 per state fiscal year and no more than \$10,000 during their lifetime. Minimum per term award is \$50. REMINDER: Beginning in 2008-2009, ALL students must submit a FAFSA in order to be eligible, including graduating students.</small> | | | | | |
| <small>**Graduate Students: For students considered full-time by the institution, the per term maximum award is \$1,000. For students considered part-time by the institution, the per term maximum is \$500. May not receive more than \$3,000 per state fiscal year and no more than \$10,000 during their lifetime. Minimum per term award is \$50. REMINDER: Beginning in 2008-2009, ALL students must submit a FAFSA in order to be eligible, including graduating students.</small> | | | | | |
| Institution Name | | | | Student Eligible | |
| School Official Name | | | | Date Award Calculated | |
| Users of this spreadsheet are responsible for the accuracy of all calculations! Yellow boxes are school fields and must be completed for each student in order for calculator to work properly! | | | | | |
| Created by Megan FitzGibbon – Manager of State Scholarship Programs – MN Office of Higher Education | | | | | |
| Form Revised – 08/13/2008 | | | | | |

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2008-2009 Minnesota GI Bill Program Award Notice

Student's Name

Student SSN/Student Number

**Congratulations! You have been awarded a Minnesota GI Bill award for the 2008-2009 academic year.
Please read this notice carefully.**

The MN GI Bill award is calculated by subtracting the student's federal Pell Grant, MN State Grant and other federal military or veteran's benefits from the calculation budget. The amount of the budget used to calculate the award is based on the number of credits for which the student is registered. If there is remaining need after the calculation, the MN GI Bill is awarded up to the need or the award maximum, whichever is less.

The award maximum for undergraduate students registered for 12 credits or more is \$1,000 per term and the award maximum for undergraduates enrolled for 11 credits or less \$500 per term. The award maximum for graduate students who are considered full time by the institution is \$1,000 per term and the award maximum for graduate students considered part time by the institution is \$500 per term. The maximum MN GI Bill award per fiscal year (July 1 through June 30) is \$3,000, up to a lifetime maximum benefit of \$10,000.

The minimum award amount is \$50 per term. If a student's remaining need is less than \$50, there is no award for that term.

Any changes in your FAFSA, Pell Grant, MN State Grant, federal military, veteran's benefits or the number of credits for which you are enrolled may cause your award package to be adjusted.

NOTE: Please notify your school if you plan to change the number of credits for which you are enrolled or if you expect your federal military or veteran's benefits to change from the amounts that you listed on your original application as this may affect your eligibility for the Minnesota GI Bill Program.

| Term | Term Dates | Number of Credits | Term Award Amount |
|---|------------|-------------------|-------------------|
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| Total Award for the 2008-2009 Academic Year | | | \$ |

Name of Financial Aid Administrator

Institution Name

Signature of Financial Aid Administrator

Date (month/day/year)

**NOTICE: The maximum award is established by state law.
All awards are subject to availability of funds. This is a notice only and is subject to change. Any changes
in your FAFSA, Pell Grant, MN State Grant, federal military or veteran's benefits or the number of
credits for which you are enrolled may cause your award package to be adjusted.**

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| 2008-2009 Minnesota GI Bill Program Denial/Termination Notice | |
|--|----------------------------|
| Student's Name | Student SSN/Student Number |
| <p>This notice is to inform you that Minnesota GI Bill for which you applied has been denied or discontinued for the following reason(s):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Applicant has no remaining need after MN GI Bill calculation is completed by school. <input type="checkbox"/> Applicant is not a Minnesota resident. <input type="checkbox"/> Applicant is a graduate student and not enrolled at least part time. <input type="checkbox"/> Applicant does not meet the school's satisfactory academic progress requirements. <input type="checkbox"/> Applicant provided insufficient documentation. <input type="checkbox"/> Applicant has exceeded \$3,000 per year or \$10,000 lifetime maximums. <input type="checkbox"/> Application is incomplete. <input type="checkbox"/> Applicant is not currently in compliance with child support payments. <input type="checkbox"/> Applicant has not completed a Free Application for Federal Student Aid (FAFSA). <input type="checkbox"/> Service member did not meet military service requirements. <input type="checkbox"/> Applicant reached 62 years of age before the beginning of the term. <input type="checkbox"/> Other: _____ _____ _____ | |
| <p>If you have any questions about this notice or wish to schedule an appointment to discuss this matter, you can contact your financial aid office or the Office of Higher Education. Any applicant can appeal the eligibility determination or termination of benefits in writing at any time. The Office of Higher Education will review appeals and determine if the school's actions were in compliance with the program statutes and rules. Written appeals can be mailed to: MN GI Bill Program, Office of Higher Education, 1450 Energy Park Drive, Suite 350, St. Paul, MN 55108-5227.</p> | |
| Name of Financial Aid Administrator | Institution name |
| Signature of Financial Aid Administrator | Date (month/day/year) |

