



July 2015



# **Minnesota Financial Aid Manual**

## **2015-2016 Aid Year**



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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.

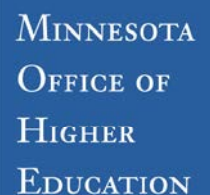
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MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION

*reach higher*

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

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- **Minnesota Indian Scholarship Program**
- **Minnesota GI Bill Program**
- **Greater Minnesota Internship Tax Credit Program**
- **Minnesota Tribal College Supplemental Grant Assistance Program**



## Our Mission

To advance the promise of higher education to all Minnesotans and to provide the critical information needed to make informed higher education decisions.

## 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 plan, licensing and an early awareness outreach initiative for youth.

## Agency Functions

- **Financial Aid Programs** – The agency typically awards more than \$180.7 million each year in need-based state grants, about \$60 million in state loans. The agency also administers state work-study funds, a child care grant, the Minnesota GI Bill and the MN Indian Scholarship program.
- **Licensing and Registration of Private Colleges** – The agency protects consumers by administering laws to license private not-for profit and private for-profit non-degree granting schools, and register private not-for-profit, private for-profit, and out of state public degree granting 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 45,000 students take advantage of these agreements each year.
- **The Minnesota College Savings Plan** – The agency has responsibility for the Minnesota College Savings Plan, an Internal Revenue Code Section 529 plan with assets of \$1.2 billion.
- **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 post-secondary 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 and State Programs** – The agency administers various federal and state programs targeted at students, parents, teachers and institutions statewide. Funded primarily under a federal GEAR UP grant, the Get Ready Program provides a variety of early college awareness services including: academic advising, tutoring, college awareness curriculum, parent events, college visits and after school programming to low income students and their families in selected 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, particularly in the areas of mathematics, science, and social studies. The state funded Intervention for College Attendance Grant Program provides competitive grants for outreach programs to increase postsecondary access and success for groups traditionally underrepresented in higher education.

**For general information about the Minnesota Office of Higher Education, visit [www.ohe.state.mn.us](http://www.ohe.state.mn.us) or call (651) 642-0567 or (800) 657-3866. Other agency resources include:**

- SELF Loan program: [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us)
- Minnesota College Savings Plan: [www.mnsaves.org](http://www.mnsaves.org)
- Get Ready Program: [www.getready.state.mn.us](http://www.getready.state.mn.us)



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Revised July 2015

**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 FAX: (651) 642-0675

- State financial aid information
- State application procedures
- Status of state program applications
- Supplies

**Main OHE Web Page:** [www.ohe.state.mn.us](http://www.ohe.state.mn.us)

**OHE Web Page for Families:** [www.getreadyforcollege.org](http://www.getreadyforcollege.org)

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

#	Program Name	Procedures	Statutes	Rules	Appendices
1	Common Definitions	July 2015	May 2015	June 2005	
2	Minnesota State Grant Program	July 2015	May 2015	December 2003	July 2015
3	Minnesota State Work Study Program	July 2015	May 2007	May 2000	July 2015
4	Postsecondary Child Care Grant Program	July 2015	May 2015	July 2005	July 2015
5	Public Safety Officer's Survivor Grant Program	July 2015	May 2014	December 2003	July 2015
6	Student Educational Loan Fund Program	July 2015	May 2015	January 2011	July 2015
7	Minnesota GI Bill	July 2015	May 2014		July 2015
8	Minnesota Indian Scholarship	July 2015	May 2014		July 2015
9	Greater Minnesota Internship Tax Credit Program	July 2015	May 2014		July 2015
10	Minnesota Tribal College Supplemental Grant Assistance Program	July 2015	May 2013		July 2015



# Minnesota State Financial Aid Programs General Eligibility Requirements Chart 2015-2016

Qualifications	MN GI Bill	MN Indian Scholarship	Postsecondary Child Care Grant	Reciprocity	Safety Officer's Survivors Grant	SELF Borrower	SELF Co-signer	State Grant	State Work Study
U.S. citizenship or permanent resident							X		
Minnesota resident per MS 136A.101 Subd. 8 (includes undocumented students qualifying under MN Dream Act or receiving DACA status prior to establishing MN residency)	X	X	X*	X		X**		X	X
Minimum enrollment status (number of credits)		9 (Undergrad) Half Time (Grad)	6			6		3	6***
No bachelor's degree			X					X	
Amount of full-time postsecondary education allowed prior to ineligibility		Limits based on years of scholarship received	8 full-time semesters****		10 full-time semesters****			8 full-time semesters****	
Making satisfactory academic progress*****	X	X	X			X		X	X
Not in default on federal or state student loan		X	X			X		X	
Not receiving MIFIP benefits			X						
Not in sectarian program			X						
Has dependent child 12 or younger with child care expenses (14 if disabled)			X						
Financial need	X*****	X	X					X	X
HS graduate/GED or 17 years old by end of school year							24 18 if sibling	X	
Attending Minnesota school	X	X	X		X			X	X
Not in arrears on child support	X							X	
Program leads to degree, certificate or diploma	X	X	X		X	X		X	X
Not receiving reciprocity benefits to attend a Minnesota school	X	X	X					X	X
Not owe OHE for State Grant overpayment								X	
One-quarter American Indian ancestry		X							

\* Uses 136A.101 but also provides residency to spouse of MN resident.

\*\* SELF borrower attending outside Minnesota must meet state residency requirement.

\*\*\* 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 or due to a major medical illness while under the care of a physician. Graduate students are eligible.

\*\*\*\*\* SELF program allows schools to define satisfactory academic progress. Other programs use the definition in Minnesota Statutes 136A.101, Subd. 10, which adopts the definition of satisfactory academic progress used for Title IV federal financial aid programs.

\*\*\*\*\* MN GI Bill has a unique budget and benefit amount calculator. Please contact the Minnesota Office of Higher Education for additional information.

**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
<b>State Grant</b>	Submit one DDS batch per month July 15 – Submit DDS batch containing leading summer term payment activity	Submit one DDS batch per month August 1 – Schools with fall starts must report first DDS batch for new year August 31-DDS end of year deadline for prior aid year. End of year balance and final DDS batch must be submitted by this date.	Submit one DDS batch per month	Submit one DDS batch per month October 1 – August/September fall starts, report fall payment activity October 15 – Late starts, report fall payment activity	Submit one DDS batch per month	Submit one DDS batch per month
<b>Work Study</b>	15% initial allocation disbursed	Year End Report for previous aid year due first working day after the 9th Initial allocation adjusted based on prior year's utilization rate	35% final allocation disbursed		First refund/reallocation	Remaining 50% of final allocation disbursed
<b>Postsecondary Child Care Grant</b>		Year End Report for previous aid year due first working day after the 9th Initial allocation adjusted based on prior year's utilization rate	50% final allocation disbursed		First refund/reallocation	Remaining 50% of final allocation disbursed
<b>Safety Officer's Survivor Grant</b>	All awards are disbursed by academic term					
<b>MN GI Bill</b>	Previous aid year refunds due August 30		Initial allocation disbursed		First refund/reallocation	First refund/reallocation
<b>MN Indian Scholarship</b>	Priority Application Deadline July 1		Online Award/Payment Rosters available regularly Must be verified prior to disbursements			

## Calendar of Financial Aid Events and Reporting Deadlines

Program	January	February	March	April	May	June
<b>State Grant</b>	Submit one DDS batch per month January 15 – Submit winter quarter payment activity	Submit one DDS batch per month	Submit one DDS batch per month March 1 – January/February spring starts, report spring payment activity	Submit one DDS batch per month April 15 – Late start spring term payment activity reported	Submit one DDS batch per month	Submit one DDS batch per month Report trailing summer term enrollment/award activity ASAP Final budget verification for next aid year Begin submitting DDS test batches for next year
<b>Work Study</b>	Second refund/reallocation	Program participation forms are sent out	Third refund/reallocation Refunds returned after March 1 will affect utilization rate Initial allocations calculated for next aid year		Fourth refund/reallocation	
<b>Postsecondary Child Care Grant</b>	Second refund/reallocation	Program participation forms are sent out	Third refund/reallocation Refunds returned after March 1 will affect utilization rate Initial allocations calculated for next aid year		Fourth refund/reallocation	
<b>Safety Officer's Survivor Grant</b>	All awards are disbursed by academic term					
<b>MN GI Bill</b>	Remaining initial allocation disbursed		Second refund/reallocation		Third refund/reallocation	
<b>MN Indian Scholarship</b>	Refund due from fall terms by January 15		Online Award/Payment Rosters available regularly Must be verified prior to disbursements			



**Common  
Definitions  
for  
Financial  
Aid  
Programs**

**2015-2016**





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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. If a term or requirement applies only to one state financial aid program, it will be defined in that particular chapter.

### **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 credit-hour programs, an academic year must be at least 30 weeks in duration. For a clock-hour program, an academic year must be at least 26 weeks in duration.

#### **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.

Minnesota Statute 136A.1313 gives schools the ability to decide which agency or firm will conduct the audit of state financial 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 reviews 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 and is:

- at least 12 quarter/8 semester credits or 300 clock hours; and
- 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. Commissioner**

The commissioner of the Minnesota Office of Higher Education.

### **6. Credit Hour**

A credit hour is a basic measure of the amount of student work completed. Credit hour is not defined in state statutes or Agency rules. Typically, accrediting agencies review credit hours assigned by colleges to ensure appropriateness. The definition of credit hour used to determine enrollment level for federal financial aid programs is one classroom hour and two out-of-class work hours over the course of 15 weeks (semester) or 10–12 weeks (quarter), or an equivalent amount of work over a different amount of time. This definition may also be used to determine enrollment level for state financial aid programs, but is not required.

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For certain 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 conversion formula must be used:

- a semester or trimester credit hour must include at least 37.5 clock hours of instruction, and
- a quarter credit hour must include at least 25 hours of instruction.

For institutions that can demonstrate that a program credit hour meets the new definition of credit hour used for federal financial aid programs and the school’s accreditor has identified no deficiencies regarding assignment of credit hours, the following conversion formula must be used:

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

The clock hour to credit hour 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 undergraduate or professional degree, provided that the institution’s degree requires at least two academic years of study and the institution can demonstrate students enroll in and graduate from that degree program.

Public and private non-profit hospital-based nursing schools that award a diploma at the completion of the program are exempt from this requirement.

## **7. 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.)

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## **8. Eligible Institution**

- a. A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45 if the institution is located in this state and:
  - 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 the requirements of paragraph b.
  
- b. A private institution must:
  - 1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;
  - 2) be licensed or registered as a postsecondary institution by the office; and
  - 3)
    - i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or
    - ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program. (See Appendix 23 in 'State Grant' chapter of this manual).
  
- c. An institution that offers only graduate-level degrees or graduate-level nondegree programs, or that offers only degrees or programs that do not meet the required minimum program length to participate in the federal Pell Grant program, is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.
  
- d. An eligible institution under paragraph b, clause 3, item ii, that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

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- e. An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution.

## **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 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. 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;
- was an orphan, ward of the court, or in foster care at any time age 13 or older;
- 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;

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- 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;
- is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances;
- is/was an emancipated minor as determined by a court in the student's state of legal residence;
- is/was in legal guardianship as determined by a court in the student's state of legal residence;
- is/was an unaccompanied youth who is/was homeless as determined by a high school or school district homeless liaison or director of an emergency shelter program within the past year; or
- is/was an unaccompanied youth who was homeless or self-supporting and at risk of being homeless as determined by a director of a runaway/homeless youth or transitional living program within the past year.

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

### **14. 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



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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.

State financial aid cannot be disbursed during a leave of absence unless it is for a term the student has already completed. Further, 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.

#### **15. Office**

The Minnesota Office of Higher Education.

#### **16. Parent Contribution**

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

#### **17. 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.

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## **18. 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; loss of benefits or child support; 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 during or after the past tax year.

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](http://www.ifap.ed.gov).

## **19. Refund**

The amount of financial aid and cash received for the term or program that is returned to the financial aid programs and/or student after the student withdraws, fails to enroll or

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changes enrollment status. Policies, procedures and worksheets/spreadsheets for refunds can be found in the ‘State Grant’ chapter of the financial aid manual.

## **20. 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, if the student is residing in another state, 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, holds a high school equivalency certificate (GED) issued in Minnesota (does not include a GED certificate issued in Minnesota for an authorized alternative test taken in another state); or
- an independent student who was granted residency as a dependent student 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 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; or

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- a student eligible for resident tuition under the Minnesota Dream Act:
  - attended a Minnesota high school for at least three years,
  - graduated from a Minnesota high school or earned a GED in Minnesota,
  - if male, complied with Selective Service registration requirements, and
  - applied for lawful immigration status if a federal process exists for doing so.
- An active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.

<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
<b>Methods</b>	<b>Dependent Student</b>	<b>Independent Student</b>	<b>Documentation</b>
Graduated from MN high school while lawfully residing in MN. (Home-schooling considered equivalent to traditional high school.) Must physically attend a MN college if currently 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.	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 (includes OHE online questionnaire) 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. Undocumented students who do not meet MN Dream Act must be lawfully residing (VISA, DACA, etc.) in Minnesota at the time of high school graduation.

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<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
<b>Methods</b>	<b>Dependent Student</b>	<b>Independent Student</b>	<b>Documentation</b>
Earned GED in MN after lawfully residing in MN for 12 consecutive months. (Time incarcerated cannot be used to establish residency.) Does not include a GED issued in MN for an authorized alternative test taken in another state.	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 (includes OHE online questionnaire) or admissions/financial aid form asking when/where GED earned and date student moved to MN. Undocumented students who do not meet MN Dream Act must be lawfully residing (VISA, DACA, etc.) in Minnesota prior to earning a GED.
Parents lawfully 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 file MN state taxes.	Not applicable.	Parent's state of legal residence on current FAFSA is sufficient if no conflicting information in student's file. Undocumented parents must be lawfully residing (VISA, DACA, DAPA, etc.) in Minnesota when the application is completed.
Student resided in MN for 12 consecutive months without being enrolled for more than five credits (includes withdrawn 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 files 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 file 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 file taxes in MN.	Supplemental questionnaire beyond FAFSA (includes OHE online questionnaire) 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. Undocumented students who do not meet MN Dream Act must be lawfully residing (VISA, DACA, etc.) in Minnesota during the 12-month period.

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<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
<b>Methods</b>	<b>Dependent Student</b>	<b>Independent Student</b>	<b>Documentation</b>
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 shows student met the definition of MN resident as a dependent applicant and still resides in Minnesota.
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 (includes OHE online questionnaire) 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. (OHE confirms for students using OHE online questionnaire.)

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<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
<b>Methods</b>	<b>Dependent Student</b>	<b>Independent Student</b>	<b>Documentation</b>
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 (includes online version) 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 paper State Grant Program Student Eligibility Questionnaire. Confirm veteran status by obtaining DD214 or other supporting documentation from veteran. For definition of veteran, see <a href="https://www.revisor.leg.state.mn.us/statutes/?id=197.447">https://www.revisor.leg.state.mn.us/statutes/?id=197.447</a> . (OHE will confirm for students using OHE online questionnaire.)

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<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
<b>Methods</b>	<b>Dependent Student</b>	<b>Independent Student</b>	<b>Documentation</b>
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 (includes OHE online questionnaire) 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: <a href="http://www.fema.gov/news/disasters.fema">www.fema.gov/news/disasters.fema</a> 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. (OHE confirms for students using OHE online questionnaire.) Undocumented students who do not meet MN Dream Act must be lawfully residing (VISA, DACA, etc.) in Minnesota.



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<b>Establishing Minnesota Residency for State Grant, MN GI Bill, MN Indian Scholarship, State Work Study and Postsecondary Child Care Grant Programs</b>			
Methods	Dependent Student	Independent Student	Documentation
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 file 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 file taxes in MN.	Supplemental questionnaire beyond FAFSA (includes OHE online questionnaire) 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.
An active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.	Applies to both dependent and independent students.	Applies to both dependent and independent students.	Student should produce documentation from the MN National Guard or reserve member's commanding officer. An example of acceptable documentation for a MN National Guard member is provided in Appendix 26 of the State Grant chapter of this manual. Reserve member's documentation should also indicate reserve member is stationed in Minnesota.

**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, MN GI Bill, MN Indian Scholarship, State Work Study or Postsecondary Child Care Grant programs if the student is receiving tuition reciprocity benefits from another state while attending a Minnesota postsecondary institution. (See 'General Eligibility Requirements Chart' in 'Introduction' chapter or individual program chapters for further guidance.)

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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 parents retain Minnesota as the state of legal residence by filing taxes in Minnesota.

If the only means by which a student can establish Minnesota residency by having graduated from a Minnesota high school while residing in Minnesota, the student must be physically attending a Minnesota college campus if currently residing in another state.

In these cases, at least one or more of the student's classes for the aid year must require physical class attendance at a Minnesota campus in order to be considered a Minnesota resident for the aid year. Such attendance must be beyond the required examinations or residential components of the program. The college has the option of checking the nature of the student's classes once at the beginning of each aid year or every term.

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 by filing taxes in Minnesota.

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An applicant who does not initially reside in Minnesota for 12 consecutive months prior to attending a postsecondary school on a half-time basis or more 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 (this includes attempted credits with W or FW grades). 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.

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 (this includes attempted credits with W or FW grades) 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.

## **21. Satisfactory Academic Progress**

To be making satisfactory academic progress, a student is expected to complete a program within a specified time frame and maintain a grade point average consistent with requirements. Schools are required to follow the satisfactory academic progress requirements in state law (Minnesota Statutes 136A.101, Subd.10), which adopts the satisfactory academic progress requirements used for federal student financial aid programs as defined in the Code of Federal Regulations Title 34, Sections 668.16, 668.32 and 668.34. The federal requirements referred to in the state law defined minimum standards for maintaining satisfactory academic progress. A school is allowed to adopt stricter standards.

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Schools should rely on Volume 1, Chapter 1 of the Federal Student Aid Handbook, which provides additional details and guidance regarding the federal satisfactory academic progress requirements. The handbook can be accessed at: [www.ifap.ed.gov](http://www.ifap.ed.gov).

According to the federal regulations referred to in the state law, a student is making satisfactory academic progress if:

- 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
- the student will be able to complete the program within a maximum time frame that is no longer than 150 percent of the published program length.

“Academic year” is defined in this chapter as the period of time it takes a full-time student to complete the equivalent of at least two semesters, two trimesters or three quarters, or at least 30 semester hours, 45 quarter hours or 900 clock hours.

Satisfactory academic progress should be measured and monitored in the following manner:

- The school must check state satisfactory academic progress using the same increments required for federal aid programs. Federal Title IV regulations require schools to divide a student’s program into equal evaluation periods called increments.

For programs that are one academic year or less, schools must evaluate satisfactory academic progress at the end of each payment period. For programs longer than one academic year, schools must evaluate at least annually to correspond to the end of a payment period, but can choose to evaluate at the end of each payment period. Clock hour schools participating in federal financial aid programs should monitor satisfactory academic progress using federal payment periods.

- Any time an increment or “check point” falls within the student’s first two academic years, the school must verify the student is meeting the timely completion component in the federal satisfactory academic progress policy. There is no GPA requirement in

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the federal policy within the student’s first two academic years other than the student meeting any GPA requirements in the school’s own policies.

To determine if the student is meeting the timely completion component of satisfactory academic progress, the school would divide the program length by the maximum time frame set by the school (must be no longer than 150 percent of the program length) to determine the percentage of credits the student must complete. For example, a four-year degree program would typically have a maximum time frame of six years, which would result in a completion percentage of 66.7 percent (4 divided by 6 = .667).

- Any time an increment or “check point” falls after the end of the student’s second academic 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, 1.85 junior, 2.0 senior). The school must also verify the student is meeting the timely completion component in the federal satisfactory academic progress policy.

If a student’s enrollment status is comprised of course work undertaken at two schools during the same term, satisfactory academic progress must be verified by evaluating all course work that was used to determine the student’s enrollment status.

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 academic 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

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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 financial 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 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 is not meeting the standards of satisfactory academic progress, the consequences will be based on how often the school evaluates the student’s satisfactory academic progress.

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If a school evaluates the student's satisfactory academic progress at the end of each payment period, the school may place a student who does not meet standards on warning status for one payment period during which the student can continue to receive financial aid. A student appeal is not required to be placed on warning status. If, upon completion of the warning period, the student still does not meet standards, the student can continue to receive financial aid for one additional payment period upon a successful appeal of the student to be placed on financial aid probation.

If satisfactory academic progress is evaluated only once per academic year, a student cannot be placed on warning status. Rather, eligibility for financial aid can only be extended upon a successful appeal by the student to be placed on probation for one payment period. After probation, a student must be making satisfactory academic progress or successfully following an academic plan that ensures the student will be able to meet standards by a specific point in time.

An appeal by the student must include what special circumstances resulted in the student's failure to make satisfactory academic progress and what has changed that will allow the student to make satisfactory academic progress at the next evaluation point. A student may appeal on more than one occasion if there are a different set of special circumstances that resulted in the student not meeting standards for satisfactory academic progress.

To the extent possible, appeals should be made prior to the end of the term for which the student is requesting probationary status. However, an appeal may be granted retroactively for a term that has been completed, in which case the student would be awarded retroactively based on the enrollment level at the end of the term.

All institutions must have a written satisfactory academic progress policy in compliance with the requirements in for federal financial aid programs, as required in 34 CFR 668.34 and described in Volume 1, Chapter 1 of the Federal Student Aid Handbook.

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## **22. 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.

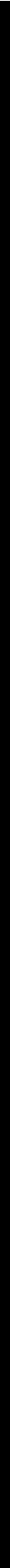
## **23. Veteran**

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.

## **24. 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.





**Minnesota  
Statutes:  
Common  
Definitions  
for  
Financial  
Aid  
Programs**



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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. **Commissioner.** “Commissioner” means the commissioner of the Minnesota Office of Higher Education.

Subd. 4. **Eligible institution.** “Eligible institution” means an institution that meets the eligibility requirements under Section 136A.103.

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 50 percent of the student contribution.

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

Subd. 7. **Student.** “Student” means a person who is enrolled for at least three credits per term 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 term.

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Subd. 7b. **Half time.** “Half time” means enrollment in a minimum of six credits per term.

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;
- (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;
- (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; or
- (9) a student eligible for resident tuition under Section 135A.043; or.
- (10) an active member, or a spouse or dependent of that member, of the state’s National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.

Subd. 9. **Independent student.** “Independent student” has the meaning given under Title IV of the Higher Education Act of 1965, as amended, and applicable regulations.

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Subd. 10. **Satisfactory academic progress.** “Satisfactory academic progress” as defined under Code of Federal Regulations, title 34, sections 668.16(e), 668.32(f), and 668.34.

Subd. 11. **Award year.** “Award year” has the meaning given in the Higher Education Act of 1965, title 4, section 481.20, as amended.

**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; 2007 c 144 art 2 s 17,18; 2008 c 298 s 3; 2008 c 363 art 4 s 6; 2009 c 95 art 2 s 10; 2010 c 364 s 5,6; 2013 c 99 art 2 s 5,6; art 3 s 1; art 4 s 3

### **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

- (a) A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45, if the institution is located in this state and:
- (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 the requirements of paragraph (b).
- (b) A private institution must:
- (1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;
  - (2) be licensed or registered as a postsecondary institution by the office; and
  - (3) (i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or
    - (ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.
- (c) An institution that offers only graduate-level degrees or graduate-level nondegree programs, or that offers only degrees or programs that do not meet the required minimum program length to participate in the federal Pell Grant program, is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

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(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution.

**History:** 2010 c 364 s 7

**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 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



**Minnesota  
Agency  
Rules:  
Common  
Definitions  
for  
Financial  
Aid  
Programs**





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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

**Hist:** 24 SR 389

**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

**Hist:** 24 SR 389





**Minnesota  
State  
Grant  
Program**

**2015-2016**



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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 e-mail 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.

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

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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.

<p>The following formula is used to calculate the 2015-2016 annual full-time State Grant award:</p> <ul style="list-style-type: none"> <li>Tuition and mandatory general fees (30 semester/45 quarter credits)*</li> <li>+ <u>Living and miscellaneous expense allowance (LME)</u></li> <li>= Award calculation budget</li> <li>- 50% student share</li> <li>- 96% (dependent)</li> <li>- 50% (independent w/o dependents) or 86% (independent w/ dependents) of annual 9-month FM EFC</li> <li>- <u>Full-time annual 9-month Pell Grant</u></li> <li>= State Grant award (\$100 annual minimum, \$50 semester, \$33 quarter)</li> </ul> <p>*Subject to tuition and fee maximums in law.</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. Most students use FAFSA on the Web at [www.fafsa.gov](http://www.fafsa.gov). In order to provide an electronic signature on the FAFSA on the Web, the student and parents should apply for a FSA ID at [www.fafsa.gov](http://www.fafsa.gov) or while completing the FAFSA on the Web.

Once the FAFSA is submitted, 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

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student provided an e-mail address on the FAFSA, the student will be sent an e-mail 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 do not 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 an automated e-mail 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 at [www.fafsa.gov](http://www.fafsa.gov); or
- if the school participates in federal aid programs, the school can electronically submit corrections to the FAFSA processor.

Schools not participating in federal financial aid programs must have students submit any corrections on their Student Aid Report (SAR) and provide the school with a revised SAR after the corrections have been processed by the Central Processing System (CPS).

### **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

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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. Professional judgment may also be used for a dependency override, whereby the aid administrator makes an otherwise dependent applicant independent based on documentation of unusual circumstances. (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 as well as any C codes on the student’s ISIR record. This includes actively comparing any new information received or accessed by the school to existing information to determine if a student’s eligibility is affected. Schools are required to make financial changes to a student’s application if the change will have an impact on the parent contribution, expected family contribution, Pell Grant award, or any other factor affecting the State Grant award calculation. Schools should also adhere to guidance in the Federal Student Aid Handbook’s Application and Verification Guide regarding the verification, updating and correction of student application data.

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Schools not participating in federal financial aid programs must have students submit any corrections on their Student Aid Report (SAR) and provide the school with a revised SAR after the corrections have been processed by the Central Processing System (CPS).

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 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](http://www.ifap.ed.gov) for further guidance.

If a student's ISIR record or SAR has a value of '2' or '3' for the unusual enrollment history flag, the school must delay disbursing State Grant funds to the student until the unusual enrollment history can be resolved in accordance with unusual enrollment history guidelines issued for federal financial aid programs. This applies even if the school does not participate in federal financial aid programs. The unusual enrollment history flags and required actions are described in the March 8, 2013 Dear Colleague letter from the U.S. Department of Education available at [www.ifap.ed.gov/dpcletters/GEN1309.html](http://www.ifap.ed.gov/dpcletters/GEN1309.html).

In cases where a subsequent ISIR is received after the student is no longer attending the school and is not intending to reenroll, the school is not required to adjust the student's State Grant if:

- all the student's State Grant has already been disbursed; and
- there was no conflicting information at the time of disbursement.

If the school discovers the student reported incorrect information on the FAFSA for a prior aid year, the school must correct the prior year FAFSA and make any necessary award adjustments unless the federal processing system is no longer operational for that aid year.

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## **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 for the current aid year must be received by the federal central processing system (CPS) no later than the 30<sup>th</sup> calendar day of the term. 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 the 30<sup>th</sup> calendar day of the term. This same deadline applies to state financial aid applications submitted by undocumented students under the MN Dream Act.

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. When this occurs, 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.

Some schools 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

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December 15, the second fall semester running September 15 through December 30, and so forth.

In these cases, 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 one term start and end date can be stored on the State Grant database for each school. 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. The same applies to state financial aid applications submitted by undocumented students under the MN Dream Act.

## **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. 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 Payments Due to Revised Award’ and ‘Late/Retroactive Disbursement’ sections for further information.) The same applies to state financial aid applications submitted by undocumented students under the MN Dream Act.

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#### **D. State Grant Student Eligibility Questionnaire**

Because the FAFSA does not contain all of the information needed to verify State Grant eligibility, the institution must collect and/or review supplemental data to determine each student's history of Minnesota residency and postsecondary attendance. The institution can use the paper Student Eligibility Questionnaire (see Appendix 2), the On-Line Student Eligibility Questionnaire (see Appendix 24) or include the questions from the Agency's questionnaire on its own institutional paper or on-line form as a proxy. If the institution chooses to include these questions on its own form, it is recommended they be included on a financial aid form since many students exclude previous postsecondary attendance on admissions forms if they do not wish to transfer credit.

A school is not required to have each State Grant applicant complete the Student Eligibility Questionnaire (or school's proxy) if the school has sufficient information from other sources (ISIR/SAR, NSLDS system, admissions and registration records, other financial aid records, etc.) that documents the student's eligibility. The following are examples of when state residency or the amount of postsecondary attendance can be documented without using the paper or On-Line Student Eligibility Questionnaire (or school's proxy):

- The school has a copy of the student's Minnesota high school diploma or another form the student completed indicating the student graduated from a Minnesota high school (establishes Minnesota residency via graduation from a Minnesota high school).
- A dependent student's SAR/ISIR indicates Minnesota as the parents' state of legal residence (establishes Minnesota residency by documenting parents resided in Minnesota when the FAFSA was completed).
- Student's date of birth on the SAR/ISIR or other records held by the college is such that it would be impossible for the student to have exceeded the limit on postsecondary attendance by continuous enrollment between the date of high school graduation and the current academic year, including summer terms.
- The student has previously completed a Student Eligibility Questionnaire (or the school's proxy) and subsequent information received and accessed by the school (SAR/ISIR, NSLDS, institutional records, etc.) is reviewed to determine it does not contradict the student's continued eligibility.



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Because the NSLDS and State Grant historical databases are not comprehensive sources of previous postsecondary attendance, they cannot be the only method used to initially determine the student's amount of previous postsecondary attendance. However, once the student has provided information about previous postsecondary attendance on the Student Eligibility Questionnaire (or school's proxy), these databases can be used to identify subsequent postsecondary attendance without the student having to complete additional forms. In cases where the amount of previous postsecondary attendance, including attendance at the current school, equals three or more academic years, the school is required to review the student's academic transcripts to determine the precise amount of previous postsecondary attendance.

#### **E. Disclosure Statement Required for Schools Not Participating in the Federal Pell Grant Program**

Private schools not participating in the Federal Pell Grant program must have all students sign the student disclosure statement (Appendix 23) upon enrollment at the school informing them that they will not be eligible to receive a Federal Pell Grant at that particular school.

### **V. Eligibility Requirements**

#### **A. Postsecondary Institutions**

At least annually, the Commissioner 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 quarter/8 semester credits or 300 clock hours;
- meet the definition of eligible institution contained in the 'Common Definitions' chapter of this manual (for schools not participating in the Federal Pell Grant program, this requires having all enrolled students sign the student disclosure statement (Appendix 23);

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- 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;
- after the administrative review, be approved by the Agency's Commissioner;
- 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 e-mail listserv at [www.mafaa.org](http://www.mafaa.org).

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 Minnesota resident as defined in Minnesota Statutes 136A.101, Subd. 8;
- be an undergraduate student who has not received a baccalaureate degree;
- not have attended the equivalent of eight semesters of full-time postsecondary education;

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- be a graduate of a secondary school/GED recipient or be at least 17 years of age (high school students enrolled in postsecondary courses prior to receiving their high school diploma 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;
- 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
- not be receiving tuition reciprocity benefits from another state while attending a Minnesota postsecondary institution.

## **2. Further Information on Selected Eligibility Requirements**

### **a. Minnesota Resident**

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

### **b. 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 foreign bachelor’s degree consisting of six or fewer semesters without general education requirements is not considered a bachelor’s degree for purposes of the State Grant program.

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

**c. Limit on Postsecondary Attendance**

(1) General

An applicant who does not have the equivalent of 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 eight semesters of full-time attendance. Units are assigned as follows:

<b>Units Chart - Course Work Prior to July 1, 1992</b>		
<b>Term Enrollment Status</b>	<b>Units Assigned - Qtr</b>	<b>Units Assigned - Sem</b>
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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<b>Units Chart - Course Work After July 1, 1992</b>			
<b>Credits Per Term</b>	<b>Clock Hours Per Week</b>	<b>Units for Quarter</b>	<b>Units for Semester</b>
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 additional 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 additional 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 and make arrangements for the school's registrar or VA counselor to notify the financial aid office about such withdrawals. The financial aid administrator should 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. There is no restriction against this provision being used for multiple occurrences.

(3) Extra Term of Eligibility for Students Who Withdraw for Major Medical Illness

If a student had to withdraw from college for a major medical illness, while under the care of a medical professional, that substantially limited the student's ability to complete the term, the current institution may exclude that term when determining the amount of previous postsecondary attendance for that student. This exclusion applies regardless of whether the withdrawal took place at the current or a previous institution. The State Grant Student Eligibility Questionnaire (Appendix 2) has been modified to identify students who may have withdrawn for

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this reason. 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 and make arrangements for the school's registrar to notify the financial aid office about such withdrawals. The financial aid administrator should request documentation from the student's medical professional verifying the student had to withdraw for a major medical illness that substantially limited the student's ability to complete the term. 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. There is no restriction against this provision being used for multiple occurrences.

(4) Instructions for Reviewing Academic Transcripts

Because the FAFSA does not contain data required to determine the amount of postsecondary education the student has 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 institution chooses to include these questions on its own form, it is recommended they be included on a financial aid form since many students exclude previous postsecondary attendance on admissions forms if they do not wish to transfer credit. If the documentation the campus collects indicates the student may have attended three or more years of postsecondary education, including attendance at the current institution, the institution must request and evaluate the student's academic transcripts. (See 'Relying on Pell Grant Lifetime Eligibility Used (LEU)' in this section for guidance on when a student's Pell Grant LEU may be used in lieu of reviewing academic transcripts.)

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

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student may have completed course work that did not transfer to the current institution. Either official transcripts or student copies are acceptable.

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

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, or for a major medical illness), failed, received no credit, repeated, earned an incomplete or received a grade of FW (failed stopped attending);
- 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 (a list of all schools that have participated in the State Grant program is available at [www.ohe.state.mn.us](http://www.ohe.state.mn.us), Campus Financial



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Aid Administrator Resources, Minnesota State Grant Program Administration);

- course work from which the student withdrew after December 31, 2002, for active military service;
- term from which the student withdrew for a major medical illness, while under the care of a medical professional, that substantially limited the student’s ability to complete the term;
- course work for which the student received a grade of FN (failed never attended);
- 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.

**TRANSCRIPT REVIEW TOOLS**

Schools may use either the Transcript Review Worksheet (Appendix 7) or Transcript Review Spreadsheet to review transcripts and assign units. The spreadsheet tool is available at [www.ohe.state.mn.us](http://www.ohe.state.mn.us), Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets and Instructions. The spreadsheet is designed to automatically assign units based on the attempted credits entered into the spreadsheet for each term. The second page of the spreadsheet will determine units for clock hour course work taken at another school if the user enters total clock hours and total number of weeks in the period of enrollment.

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### 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.

### 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.

### 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-

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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 from another school to determine the amount of postsecondary education a student has attended, interim terms should be treated as follows:

- 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.

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- If the student only attended an interim term during an academic year, the interim term must be treated as a separate term.

However, when assessing previous postsecondary attendance taken at the current school, interim credits should be allocated to adjoining terms as they were to determine enrollment level for awarding purposes.

#### 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 must 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 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 attendance and document how the result was determined for auditing purposes.

#### INABILITY TO OBTAIN TRANSCRIPTS

Prior to July 1, 2010, cosmetology schools in Minnesota were 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

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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. However, schools are required by FERPA (34 CFR 99.10) to release unofficial transcripts to students who have a hold on their records and these are acceptable for purposes of reviewing transcripts.

If a student cannot obtain transcripts due to unpaid charges at another college, and the current college cannot determine the student's eligibility for MN State Grant or Postsecondary Child Care Grant without reviewing those transcripts, the student can voluntarily waive his/her eligibility for these programs by signing the 'Voluntary Waiver of Minnesota State Grant and Postsecondary Child Care Grant' form (Appendix 25). Use of this form by the current school is optional.

#### 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; Barbering = 1,500 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 section or Appendix 7. The second page within the OHE Transcript Review Spreadsheet is designed to calculate units if a user enters total clock hours and total weeks enrolled.

<p><b>Example of Units for Clock Hour Attendance</b></p> <p>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 (Level 15)  Number of Quarters in Enrollment Period = 51/12 = 4.25  <b>Number of PSE Units = 4.25 FT quarters x 8 units = 34 units</b></p>
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(5) Relying on Pell Grant Lifetime Eligibility Used (LEU)

A school may rely on a student’s Pell Grant Lifetime Eligibility Used (LEU) calculated on the federal central processing system in lieu of requesting and reviewing a student’s academic transcripts if a student’s Pell Grant LEU is 500 percent, in which case, the school can assume the student has reached the State Grant limit on postsecondary attendance of at least four full-time academic years.

If a school chooses to use Pell Grant LEU in this case, it should make sure it is not in conflict with any policy it has adopted to exclude courses with W grades earned before July 1, 1995, which is allowed for the State Grant program if the student did not receive a State Grant payment for those credits.

**d. High School Graduate, GED Recipient or 17 Years of Age**

To qualify for Minnesota State Grant, a student must be at least 17 years old at the time of disbursement or have a high school diploma or GED. While Minnesota uses the standard GED test, certain other states use alternative tests, such as the High School Equivalency Test (HiSET) or Test Assessing Secondary Completion (TASC). Minnesota’s K-12 education agency, the Minnesota Department of Education, honors alternative tests authorized and used by other states and will issue a student who successfully passed such a test a Minnesota GED certificate upon request. For purposes of this eligibility requirement, however, such a GED will not be treated as the equivalent of a GED earned in Minnesota for purposes of establishing state residency. (See ‘Resident Student’ in Common Definition chapter.)

The Minnesota Department of Education currently does not honor such alternative tests if they were taken in a state in which they are not authorized. Thus, students who took alternative tests in a state in which they are not authorized will not be considered to have the equivalent of a GED for purposes of state financial aid programs.

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The following is a list of states authorizing and using alternative tests to the GED:

**HiSET Test:** California, Iowa, Louisiana, Maine, Massachusetts, Missouri, Montana, Nevada, New Hampshire, New Jersey, Tennessee, Wyoming

**TASC Test:** Indiana, New Jersey, New York, Nevada, West Virginia, Wyoming

**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 aid year if the student repays the overpayment or maintains a pattern of monthly payments to repay the obligation provided the student currently meets all program eligibility requirements. The student also has the option of repaying an overpayment from a previous aid year with part or all of the award for the current aid 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 aid 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 federal or state financial aid eligibility) and the student currently meets all other program eligibility requirements.



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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).

**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 on the State Grant On-Line Hold Report (Appendix 3) via automated e-mails. 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 aid year provided the student currently meets all other program eligibility requirements. The hold will be removed

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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 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. (See also 'Determining Enrollment Status Throughout the Academic Year at Progressive Clock Hour Schools' in the Disbursement section of this manual for further guidance.) Schools that disburse aid under the term-based system must base their enrollment level definitions on the number of credits per term. This includes non-term based schools that combine sequential course modules into a term, whereby the student's enrollment level is based on credits for all courses combined into one 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:

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<b>State Grant Enrollment Levels</b>		
<b>Credits Per Term</b>	<b>Average Clock Hours Per Week</b>	<b>Enrollment Level</b>
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 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.

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(2) Enrollment Level at Non Term-Based Credit-Hour Schools

Non term-based credit-hour schools link sequential course modules together to form a term and determine enrollment level. For example, a school might define its semester as 12 credits based on combining four 3-credit sequential classes.

3 Credits	3 Credits	3 Credits	3 Credits
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There is no requirement that all classes within such terms must be sequential. In the following example, a school defines its semester as 15 credits based on five 3-credit classes, with two classes taken simultaneously at the onset of the term.

3 Credits			
3 Credits	3 Credits	3 Credits	3 Credits

If a student fails a class or classes and continues in the same program, the student will not be able to advance to the next term unless all the credits required for the first term are successfully completed. Thus, the term would be extended to include the credits for the additional class or classes. If the school charges for the additional class(es), the student's award for the extended term would also be adjusted for the new enrollment level. Otherwise, the original term award would not be adjusted.

For example, if the student fails the third course module, the term would be extended to include an additional three credits before the student could advance to the next term. If the school charges for the additional class, the student's award would be adjusted from Level 12 to Level 15. If the school doesn't charge for the additional class, the State Grant award would remain at Level 12.

3 Credits Class 1 Grade = B	3 Credits Class 2 Grade = C	3 Credits Class 3 Grade = F	3 Credits Repeat Class 3	3 Credits Class 4
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Likewise, if a student withdraws from school during a term, but reenters the same program, the student cannot advance to the next term until all the course modules

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for the term during which the student withdrew are completed. If the student reenters within the same aid year, any refunds for recalculations and withdrawals during that term can be reversed, provided the student still meets all the program eligibility requirements. However, if the student reenters during the subsequent aid year, refunds during the previous aid year cannot be reversed. Further, the student's enrollment level for that term in the subsequent aid year will be based solely on the credits for the remaining classes of the original term.

For example, the student's semester consists of four 3-credit classes for a total of 12 credits. The student is paid a Level 12 State Grant at the onset of the term. The student withdraws during the third class, the award is recalculated from Level 12 to Level 9 and a withdrawal refund calculation is performed for the Level 9 State Grant. If the student reenters the same program within the same aid year, both the recalculation and withdrawal refund amounts can be reversed since the student is continuing in the same term. Because the student will need to complete 12 credits to advance to the next term, the current term can be extended and enrollment level can be increased to account for both the withdrawn class and the remaining six credits in the term. The student's enrollment level would increase from Level 12 to Level 15. If the school charges for the additional course module, the State Grant award can be adjusted from Level 12 to Level 15. Otherwise, the student's State Grant award would be based on Level 12.

If the student withdraws during a term but reenters in the subsequent aid year, any refunds for recalculations or withdrawals for the previous aid year cannot be reversed. The student's enrollment level in the subsequent aid year would be determined by the credits remaining in the original term. In the case cited in the preceding paragraph, the student completed six credits and withdrew from three credits in the previous aid year and would have six credits to complete in the subsequent aid year prior to advancing to the next semester. Therefore, the student could receive a Level 6 State Grant payment for the term in the subsequent aid year, *provided the student was charged for both classes in the*

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*subsequent aid year.* Otherwise, credits for which the student was not charged would not be included in the student's enrollment level.

**Aid Year One** (Enrollment level recalculated from Level 12 to Level 9 and withdrawal refund calculated for Level 9)

3 Credits Class 1	3 Credits Class 2	3 Credits Class 3 (withdrawal)	3 Credits Class 4 (never started)
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**Aid Year Two** (Enrollment level based on 6 credits remaining in original term, assuming student charged for both classes)

3 Credits Class 3 repeat	3 Credits Class 4
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In no instance can a school disburse a State Grant retroactively for a term during which the student withdrew from school (see also 'Late/Retroactive Disbursement' section in this manual) or for classes from which the student withdrew.

(3) Clock-Hour/Credit-Hour Conversion

The school must use a clock-hour to credit-hour conversion formula to determine the student's enrollment unless the student's program:

- is at least two academic years in length and provides an associate, bachelor's or professional degree; or
- each course from the program is acceptable for full-credit towards a degree program offered by the institution and the institution can demonstrate students enroll in and graduate from that degree program.

See 'Credit Hour' definition in the Common Definitions chapter of this manual for further information. Public and private non-profit schools of nursing are exempt from this requirement.

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(4) When Remaining Annual Credits Are Less Than Actual Enrollment Level  
 Students may receive a State Grant for up to 60 quarter credits or 45 semester credits within an aid year (July 1–June 30). This also includes payment periods at clock hour schools where enrollment level is translated to credits [see ‘State Grant Enrollment Levels’ chart on page 27 of this chapter]. In cases where the student’s remaining credits of eligibility for the final term of the aid year are less than the student’s actual enrollment level, the remaining credits are the enrollment level used to determine the amount of the award. However, the number of hours in a clock hour payment period must be based on the student’s *actual* enrollment level.

(5) Excluded Course Work  
 Credits can only be included in the student’s enrollment level from learning that results from instruction provided or overseen by the current school.

Transfer credits earned during a previous term at another institution, courses that the student audited at the current school, credits awarded from placement or CLEP tests, or credits that will not be applied towards the student’s credential may not be counted towards enrollment level. However, the school may opt to have a policy that includes credits for repeated classes in the student’s enrollment level.

When payment is delayed for a term, courses with grades of W, FN or FW may not be included when determining the student’s enrollment level.

High school students enrolled in postsecondary classes prior to receiving a high school diploma are not eligible for a State Grant.

(6) Repeated Course Work  
 In general, courses that will not be applied towards the student’s credential may not be counted towards enrollment level. However, the school may opt to have a

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policy that includes credits for repeated classes when determining enrollment level. There is no requirement that the school's policy for state financial aid programs must adhere to the policy on repeated course work used for federal financial aid programs.

(7) 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. 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.

(8) 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.

(9) 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



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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 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.

(10) 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 attended at that school. However, the student cannot be awarded for more than a total of 15

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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 attended at all schools. The 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.)

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(11) Use of Interim Term Credits

Schools using a 4-1-4 calendar may use student credits attended during the interim term in determining the student's enrollment status for State Grants. The credits attended 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 on a student-by-student basis. With respect to students who are also Pell Grant recipients, there is no requirement that interim term credits be allocated to fall and spring semesters in the same manner allocated for the Pell Grant program, as long as the resulting State Grant enrollment level will not cause the incorrect Pell Grant award to be subtracted within the State Grant award calculation.

**Example:**

A student registers for 11 credits in the fall semester, four credits in the interim term and 11 credits for the spring semester. The school's policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a 15-credit enrollment level for the Pell Grant program. For the State Grant program, the school must also allocate the four interim term credits to the spring semester, since allocating any interim credits to the fall term would result in a full-time Pell Grant award being subtracted in the State Grant calculation when the student is receiving a three-quarter time Pell Grant award for the fall semester. However, if the student were not a Pell Grant recipient, the interim term credits could be allocated to fall and/or spring semesters in any manner selected by the school.

**Example:**

A student registers for 11 credits in the fall semester and four credits in the interim term but does not enroll for spring semester. The school's policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a four credit less than half-time spring term enrollment level for the Pell Grant program. For the State Grant program, the school must also allocate the four interim term credits to the spring semester, since allocating any interim credits to the fall term would result in an a full-time Pell Grant award being subtracted in the State Grant calculation when the student is receiving a three-quarter time Pell Grant award for the fall semester. However, if the student were not a Pell Grant recipient, the interim term credits could be allocated to fall and/or spring semesters in any manner selected by the school.

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**Example:**  
A student registers for 13 credits in the fall semester, three credits for the interim term and 14 credits for the spring semester. The school’s policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a 17-credit enrollment level for the Pell Grant program. For the State Grant program, the school may allocate all interim credits to either fall or spring semesters, or allocate two of the interim credits toward the fall term enrollment status and the remaining one credit as part of the spring semester enrollment status, resulting in a Level 15 State Grant award for each semester. Any of these options would be allowable since the correct full-time Pell Grant would still be subtracted within the State Grant award calculation for each term regardless of how interim credits were allocated for the State Grant program.

The school may have a policy to retroactively adjust fall term awards based on the assignment of interim term credits even if the adjustment is performed after the school’s award adjustment end date.

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, the school must recalculate the State Grant award for that term and return the overpayment to the State Grant program.

(12) For Non-Standard Terms

A student’s term enrollment status does not have to 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. Pursuing Degree, Diploma or Certificate**

In order to be eligible for a State Grant, a student must be enrolled at an eligible Minnesota institution 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

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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.’)

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 or contractual agreement with the eligible Minnesota school administering the State Grant program.

**j. 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.)

**k. Tuition Reciprocity Restriction**

A student who technically meets the definition of a Minnesota resident may not receive a State Grant if the student is receiving tuition reciprocity benefits from another state to attend a Minnesota public postsecondary institution. The student can opt to cancel tuition reciprocity benefits in order to receive a State Grant.

**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 e-mail if any student data was added or updated on the State Grant on-line hold database for their

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campus. The e-mail will contain a link to the screen schools can use to view the data and print a hold report on campus. Undocumented students applying for state financial aid under the MN Dream Act do not currently appear on the report since they are not able to submit the FAFSA.

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 education the student has *attended* to date.

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 ten) 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

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.

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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 an automated e-mail when any of the student hold data changes for that school. The e-mail will contain a link to the State Grant on-line hold report. E-mail 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 e-mail 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. 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 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.

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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.

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 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 school was notified that the hold data was 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 or the school notified until the first ISIR or DDS record was received for the current aid year (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.

Units appearing in the 'Units' column represent units of State Grant paid to the student up through the current aid year, including the current school. Though the units appearing on the on-line report may change throughout the aid year, the school will only be notified via an automated e-mail 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



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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 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](http://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. Undocumented students applying for state financial aid under the MN Dream Act do not have records in the State Grant database since they are not able to submit a FAFSA.

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 FAFSA 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

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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”**

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”**

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. Because private data is displayed on the screen, financial aid administrators should make sure they exit the system if they are away from their work stations.

The top section of 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.

The middle section of 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

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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.

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 *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. For example, 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, the school should use the Agency’s units.

The bottom section of 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 may wish to 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 always contain information needed to verify state residency and the amount of previous postsecondary attendance, the institution must collect supplemental data to determine if the student meets these eligibility requirements unless information supplied on the FAFSA is sufficient or the student has previously completed the paper or online State Grant Student Eligibility Questionnaire (or the school’s proxy) and no subsequent information contradicts the student’s continued eligibility (see also ‘Student Eligibility Questionnaire’ section under ‘Original Application’ section of this chapter).

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If the supplemental information 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 ‘Limit on Postsecondary Attendance’ section of this chapter. (See exception under ‘Relying on Pell Grant Lifetime Eligibility Used (LEU)’ in 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 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 current aid year provided the student currently meets all program eligibility requirements.

If the school had documentation on campus, including notification of hold status on the State Grant On-Line Hold Report, 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 not participating in federal financial aid programs fails to run an eligibility check (child support, past overpayment, four years of aid, SELF default) against the State Grant database via submitting a State Grant DDS batch 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.

## **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 academic transcripts, etc. The Agency strongly recommends that all

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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.

Prior to final award parameters being established by the legislature each year, estimated awards contained in award notices to students must be based on estimated parameters issued by the Agency by February 15th preceding the aid year.

The State Grant award is not subject to financial aid packaging requirements. Thus, it is never reduced in cases where the student's Expected Family Contribution (EFC) and other financial aid and resources exceed the student's cost of attendance used for federal financial aid programs.

#### **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.

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**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. (See Appendix 8 for current LME.) 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) 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 (30 semester or 45 quarter credits) 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. (See

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Appendix 8 for current tuition and fee maximums.) 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.)

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

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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  $\$5,736/2 = \$2,868$  for full-time semester  $\times 8/15$ ths or  $.533 = \$1,529$ . Annual full-time four-year tuition maximum  $\$13,840/2 = \$6,920$  for full-time semester  $\times 7/15$ ths or  $.467 = \$3,232$ . The prorated tuition and fee maximums 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 \$20,000, then the amount for eight credits would be  $\$20,000/2 = \$10,000$  for full-time semester  $\times 8/15$ ths or  $.533 = \$5,330$ . The amount for seven credits would be  $\$10,000 \times 7/15$ ths or  $.467 = \$4,670$ . 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 \$1,529 to the four-year maximum for seven credits, \$3,232, for a combined tuition and fee maximum of \$4,761. This would then be added to the LME of \$4,414 for a full-time semester resulting in a State Grant term award calculation budget of \$9,175.

If a student changes programs between terms, the appropriate tuition and fee maximum must be used to recalculate the award for the subsequent terms of the aid year based on the student's current program. If a student changes programs



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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. Agency auditors may review 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.

(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 private 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.

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

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 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.

Using the full-time tuition and fees applies even if students are not enrolled for 15 credits per term since the tuition and fees will later be adjusted within the award calculation for less than full-time enrollment.

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

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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 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.)

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**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 taken 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, which would be prorated for the student’s enrollment level if the student enrolled for fewer than 15 credits. The term living and miscellaneous expense allowance (LME), prorated for the number of credits attended 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.)

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. Rather, 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.

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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 community college, the State Grant would be based on the cost of 15 credits at the state university, since both state universities and community colleges are within the MnSCU system.

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](http://www.ohe.state.mn.us)) under Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets & Instructions.

## **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

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adjusted due to less than full-time enrollment, the student is expected to contribute a share of the adjusted term budget.

The student share of the State Grant budget is shown in Appendix 8. However, the statute 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. Any such adjustment will be shown in Appendix 8.

### **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).

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. Any such surcharge will be shown in Appendix 8. 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:

<b>Example of Surcharge on Parent Contribution</b>	
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

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#### 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 50 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 resulting contribution is not adjusted if the student enrolls for more or fewer than 15 credits (see Appendices 8 and 9).

When choosing between two 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. Any such surcharge will be shown in Appendix 8. For example, if a 10.7 percent surcharge were added to the independent student contribution for spring semester, the surcharge would be applied in the following manner:

<b>Example of Surcharge on Student Contribution/EFC</b>	
Annual Nine-Month Federal Methodology Student Contribution/EFC	\$1,000
Student Contribution Prorated to Term Length for Semester	\$ 500
Term Student Contribution Prorated to 50 Percent*	\$ 250
10.7 Percent Surcharge Added to Prorated Term Student Contribution	\$ 277
*The Student Contribution is prorated to 50 percent for independent students without dependents and 86 percent for independent students with dependents other than a spouse.	

#### 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

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subtracted in the State Grant formula, even if the school or program does not participate in the Federal Pell Grant program or 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) and the student's enrollment level for the Federal Pell Grant program, and is calculated in accordance with the appropriate 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:

<b>State Grant Enrollment Level</b>	<b>Pell Grant Subtracted in State Grant Calculation</b>
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.)



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

To see examples of how the Pell Grant is subtracted in the State Grant award calculation, please see Appendices 8 and 9.

**a. Career Pathway Alternative Pell Grant Disbursement Schedule**

Ability to Benefit (ATB) is a way for students lacking a high school credential to qualify for federal financial aid by:

- passing an independently administered ATB test approved by the U.S. Department of Education; or
- completing at least six credit hours or 225 clock hours that are applicable toward a degree or certificate offered by a postsecondary institution.

The Federal Pell Grant subtracted within the State Grant award calculation for Ability to Benefit students who first enrolled in a Career Pathway program on or after July 1, 2015, is based on the Career Pathway Alternative Pell Grant disbursement schedule rather than the standard Pell Grant disbursement schedule. Schools must indicate on the State Grant DDS Record (Appendix 12) if the Pell Grant subtracted within the State Grant award calculation is based on the Career Pathway Alternative Pell Grant disbursement schedule.

**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 federal financial aid policy allows the institution to use a minimum academic year of 30 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.

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## 2. Period of Award / Annual Credit Limits

Students may receive a State Grant for up to 60 quarter credits or 45 semester credits within an aid year (July 1-June 30). This also includes payment periods at clock hour schools where enrollment level is translated to credits [see ‘State Grant Enrollment Levels’ chart on page 26 of this chapter].

- If the student’s enrollment level exceeds 15 credits per term, the term is only counted as 15 credits towards the annual credit limit.
- This includes both leading and trailing summer terms if any part of those terms falls within the aid year.
- In cases where the remaining credits of eligibility for the final term of the aid year are less than the student’s actual enrollment level, the remaining credits are the enrollment level used to determine the amount of the award. However, the number of hours in a clock hour payment period must be based on the student’s *actual* enrollment level (see ‘Determining Enrollment Status Throughout the Academic Year at Progressive Clock Hour Schools’).

### a. Transfer Students

A student who attends different schools during the aid year may also be awarded for up to 60 quarter credits or 45 semester credits per aid year, even if the State Grant award amounts differ at each school. 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.

A student who transfers between schools on different systems (quarter vs semester) is also subject to these annual credit limits. Credits from the previous school must be translated to credits on the system used by the current school as shown in the following example:

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#### **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 awarded = 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 additional 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 Payments* 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.

Prior to final award parameters being established by the legislature each year, estimated awards contained in award letters to students must be based on estimated parameters issued by the Agency by February 15th preceding the coming aid year.

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 15-credit quarters or three 15-credit semesters or the equivalent within a fiscal year. The fourth quarter or third semester will often times take place in the summer and overlap fiscal years. The same applies to progressive clock hour schools at which students can receive up to four full-time payment periods (if school divides academic year into three payment periods similar to quarters) or three full-time payment periods (for schools that divide the academic year into two payment periods like semesters). Such terms are referred to as “crossover” terms or payment periods.

If a student is enrolled and eligible for a State Grant during the summer term or payment period, the student must be awarded. The school cannot require a separate application beyond the FAFSA (or state financial aid application used for undocumented students) and documents used to award for the standard terms or payment periods of the academic year.

### **1. Origination of Funding**

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

When a crossover term or payment period 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. However, because the student’s State Grant is based on the student’s EFC and Pell Grant award, the same aid year must be selected for both the State Grant and Pell Grant. Once the aid year is selected, the need analysis, laws, rules and policies in place for that aid year must be applied.

For non term-based schools that link sequential course modules together to form a term, if such a term overlaps a fiscal year, it is considered a crossover term and is subject to

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policies for crossover terms. In the event the student withdraws during a term and subsequently reenters within the same program, enrollment level and the option to reverse refunds should be based on policies described earlier in this manual under ‘Enrollment Level at Non Term-Based Credit-Hour Schools.’

## **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 for which the student is enrolled during 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. This also applies to non term-based credit-hour schools that combine sequential course modules into one term.

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 5-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.

If the original award disbursed at the onset of the term is based on credits for other sessions or course modules and the student drops those credits without attending the classes, the State Grant must be recalculated. (See ‘Recalculation of Student Award Based on Changes in Enrollment Level.’)

In order for multiple mini-sessions to be treated as separate “mini-terms” at standard term-based schools, the school must define enrollment status separately for each session. This is not an option at non term-based credit-hour schools.

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### **3. Determining Credits Needed for Enrollment Status**

Enrollment status for standard and non-standard terms or payment periods is derived in the same manner; that is, based on the actual number of credits or clock hours for which the student is enrolled. No adjustments are required for non-standard terms.

### **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 8 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.)

## **F. Recalculation or Revision of State Grant Awards**

State Grant awards are revised or recalculated 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.)

Schools are not required to adjust the award based on a subsequent ISIR received after the student has stopped attending if the award for the term has already been disbursed and there was no conflicting information at the time of disbursement. Nor are schools required to adjust a prior year award based on incorrect data reported on the prior year FAFSA if all information was correct at the time of disbursement and the federal processing system is no longer operational for the prior aid year.

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## **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 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 account 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.

The State Grant award is not subject to financial aid packaging requirements. Thus, it is never reduced in cases where the student’s Expected Family Contribution (EFC) and other financial aid and resources exceed the student’s cost of attendance used for federal financial aid programs.

Schools are not required to adjust the award based on a subsequent ISIR received after the student has stopped attending if the award for the term has already been disbursed and there was no conflicting information at the time of disbursement. Nor are schools required to adjust a prior year award based on incorrect data reported on the prior year FAFSA if all information was correct at the time of disbursement and the federal processing system is no longer operational for the prior aid year.

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, including the State Grant On-Line Hold Report;

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- after the student was paid, an item on the application was corrected that should have been resolved prior to disbursement through resolving conflicting information or the verification process; or
- a school not participating in federal financial aid programs paid the student before submitting a State Grant DDS batch to 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.

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 (or the output from the state financial aid application used for undocumented students), 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.



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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 any overpayment refunded to the State Grant program. This also applies to cases where the school grants a retroactive withdrawal for a class or classes backdated to the first day of the term, even if the student attended the class(es), since it is treated as though the student never attended.

Conversely, if a student appeals to have a class added after the school's award adjustment end date (described later in this section) or the late addition of the class is based on a school error or the assignment of interim term credits to fall term, the school may have a policy to recalculate the State Grant award to include those credits even if they were added after the school's award adjustment end date. Or, the school can adhere to its standard policy regarding the award adjustment end date and not adjust the student's award.

In cases where the student has begun attendance in all classes, State Grant award recalculations and/or partial withdrawal refunds are not required unless the school adopts a written policy requiring award adjustments through a certain end date within the term. However, if a student withdraws from all classes, a total withdrawal refund will always be required (see 'Total Withdrawal' in the 'Calculating Refunds for Students Who Change Enrollment Level or Withdraw After State Grant Disbursement' section in this chapter).

The school may choose an award adjustment end date that coincides with the end of the drop/add period (the most commonly chosen) or any other date during the term, including the last day of the term if the school opts to perform award adjustments through the entire term. Whichever end date is selected for award adjustments, it must also be used for all applicable state financial aid programs. There is no requirement that the award adjustment end date used for state financial aid programs match the end date selected for adjusting Pell Grants. The school has the option of selecting different award adjustment end dates for different programs of study offered by the school.

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If a student has a change in enrollment level *after* beginning attendance in all classes but *before* the school's end date for award adjustments, the school must perform award recalculations or partial withdrawal refunds for both increases and decreases in enrollment level. In other words, a school cannot opt to make adjustments only if they result in an increased award. The following State Grant examples apply to cases of enrollment changes occurring *after* the student has begun enrollment in all classes but *before* the end date selected by the school:

- Student adds credits resulting in an *increased* State Grant award. The school would recalculate the State Grant award and disburse additional funds to the student.
- Student adds credits resulting in a *decreased* State Grant award. If the student's State Grant reduction was the result of an actual increase to the student's Pell Grant award, the school would recalculate/reduce the student's State Grant award. Otherwise, no refund would be required for the State Grant program.
- Student drops/withdraws credits resulting in a reduced State Grant award. The school must perform a partial withdrawal refund calculation.
- Student drops/withdraws credits resulting in an increased State Grant award. If the student's State Grant increase was the result of an actual reduction of the student's Pell Grant award, the school may disburse additional State Grant funds to the student. Otherwise, no adjustments are made to the State Grant.

If a school must calculate a refund for a partial withdrawal, the school must use the Office of Higher Education Refund Calculation Worksheet (Appendix 13c of State Grant manual) or spreadsheet (posted on [www.ohe.state.mn.us](http://www.ohe.state.mn.us)) 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's proportional share of the institution's refund of institutional charges (from line I (E) of the Office of Higher Education Refund Calculation Worksheet or spreadsheet).

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**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 refunded 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 after beginning attendance and before the school's award adjustment end date, 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 perform a partial withdrawal refund calculation.

**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  
 Proportional share of refund of institutional charges is \$100  
 \$100 is refunded to the State Grant program  
 School reports Level 15 enrollment to the Agency with payment of \$300

If the student withdraws from a class after beginning attendance and before the school's award adjustment end date, and the State Grant at the revised enrollment level is *higher* 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.

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**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 award  
 State Grant remains at \$300  
 School continues to report Level 12 enrollment to the Agency with payment of \$300

**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 award  
 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 before the school's award adjustment end date, and the award at the revised enrollment level is *higher* 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 before the school's award adjustment end date, 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.

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**Example E: No Change in EFC**

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

**Example F: Change in EFC**

Student originally paid \$400 for Level 11 enrollment  
 Student adds one credit for Level 12 enrollment  
 State Grant award at Level 12 is \$300  
 School does not adjust Pell Grant from 3/4-time to full-time award  
 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, the 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 beginning attendance in all classes but before the school's award adjustment end date. The school must always use the student's actual enrollment level (original enrollment level at the time of disbursement minus credits withdrawn or dropped plus credits added) to determine the adjusted award. However, whether the adjusted 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.

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

In cases where the initial calculation and disbursement of the State Grant award take place *after* the school's award adjustment end date, the award must be based on the student's enrollment level *as of the date of disbursement* and no further award adjustments would take place after that point.

**a. Adjustment of Awards for Students Attending Non Term-Based Credit-Hour Schools**

This section applies to non term-based credit-hour schools that combine a number of sequential course modules together to define a term. For example, a school may define a semester as 12 credits, comprised of a series of four sequential 3-credit courses that each last a month.

12-Credit Semester			
3 Credits Class 1	3 Credits Class 2	3 Credits Class 3	3 Credits Class 4

If a student withdraws from school during the first course module of the term without attending the course, the entire State Grant disbursement for the term must be refunded.

If the student did attend the first course module before withdrawing, then the school must first recalculate the State Grant for an enrollment level that excludes credits for the remaining course modules and refund the difference between the original and revised State Grant. The school would then complete the appropriate Office of Higher Education Refund Calculation Worksheet (Appendix 13) for a full withdrawal to determine the amount of the refund due the State Grant program from the first module attended.

In the following example, if the school disbursed a Level 12 State Grant at the onset of a semester to cover four 3-credit sequential course modules and the student withdrew

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from school *during* the first module after attending the course, the school would first recalculate the State Grant term award from Level 12 to Level 3 and refund the difference to the State Grant program. The school would then complete the appropriate OHE Refund Calculation Worksheet (Appendix 13) for a full withdrawal for the first 3-credit course module the student attended, including only the Level 3 State Grant award amount on the worksheet, as opposed to the original award for 12 credits.

↓

3 Credits Class 1 (attended but withdrew)	3 Credits Class 2 (didn't start)	3 Credits Class 3 (didn't start)	3 Credits Class 4 (didn't start)
--	--	--	--

In the next example, the student completes the first course module and then withdraws before starting the second course module. The original State Grant term award (Level 12) would be recalculated for the lower enrollment level (Level 3) and the difference refunded to the State Grant program. No refund calculation worksheet would be required, since the student did not withdraw during a course module.

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3 Credits Class 1 (completed)	3 Credits Class 2 (didn't start)	3 Credits Class 3 (didn't start)	3 Credits Class 4 (didn't start)
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These same policies apply when the student withdraws later in the term. In the following example, the student withdraws from school *during* the third course module after beginning attendance in that course. The school must first recalculate the State Grant term award to an enrollment level that excludes credits for any remaining modules the student did not attend, and refund the difference between the original (Level 12) and revised (Level 9) State Grant awards to the State Grant program. The school would then complete the appropriate Office of Higher Education Refund Calculation Worksheet (Appendix 13) for a full withdrawal for the three course modules the student did attend, and list only the Level 9 State Grant award when completing the worksheet.

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3 Credits Class 1 (completed)	3 Credits Class 2 (completed)	3 Credits Class 3 (attended then withdrew)	3 Credits Class 4 (didn't start)
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If a student withdraws during the last course module of a term after beginning attendance in that course, an award recalculation would not be required, since there are no remaining course modules the student did not attend. Rather, the school would complete the appropriate OHE Refund Calculation Worksheet (Appendix 13) for a full withdrawal, using the amount of the original Level 12 State Grant on the worksheet.

3 Credits Class 1 (completed)	3 Credits Class 2 (completed)	3 Credits Class 3 (completed)	3 Credits Class 4 (attended then withdrew)
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Enrollment levels, award recalculations and withdrawal refunds are determined similarly for students taking courses simultaneously within a semester.

In the next example, the student's original disbursement would be based on 12 credits. If this student withdrew from school *after* completing the first set of simultaneous courses, the award would be recalculated from Level 12 to Level 6 and the difference refunded to the State Grant program. A withdrawal refund calculation would not be required, since the student did not withdraw during a course module.

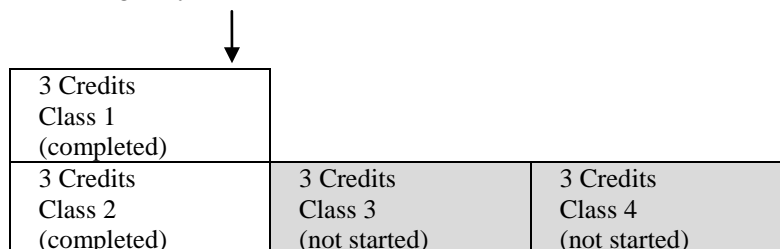
3 Credits Class 1 (completed)		
3 Credits Class 2 (completed)	3 Credits Class 3 (not started)	3 Credits Class 4 (not started)

If this same student withdrew from school *during* the first set of simultaneous courses, the award would first be recalculated from Level 12 to Level 6 and the difference refunded to the State Grant program. A full withdrawal refund calculation would then



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be performed using the appropriate OHE Refund Calculation Spreadsheet (Appendix 13) using only the amount of the student's Level 6 State Grant award.



If a student withdraws at any point during the term, but subsequently reenrolls in the same program, the student cannot advance to the next term until the remaining courses in the previous term have been completed. To determine the student's enrollment level for the term in question, and whether recalculation and/or withdrawal refunds for that term can be reversed, see the 'Enrollment Level at Non Term-Based Credit-Hour Schools' and 'Post-Withdrawal Disbursement for Returning Students at Non Term-Based Credit-Hour Schools' sections of this manual.

If a student withdraws during a module or between modules but continues on in a *different* program, the State Grant for the original 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 course module in which the student enrolled for the new program. For example, if a Level 12 State Grant were disbursed for the initial semester and the student fully completed two 3-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 6 and the difference between the Level 12 and Level 6 State Grant term awards would be refunded to the State Grant program. The next course module would then be considered the first 3-credit course module of a new semester consisting of four 3-credit modules for the student's new program. A Level 12 State Grant would be disbursed for the new semester.

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#### **4. Recalculation of State Grant Award for Student Who Receives All Non-Passing Grades**

If the student receives non-passing grades for all classes taken during a term, the federal financial aid 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 for withdrawn classes the student did attend. (See ‘Award Adjustments and Refunds for All Non-Passing Grades’ in the ‘Refund Process’ section of this chapter.) Non term-based credit-hour schools typically extend the term length to include another course when a student fails a class in which the student began attendance, which may result in an award recalculation. (See ‘Enrollment Level at Non Term-Based Credit-Hour Schools for further guidance.)

#### **5. ISIR Transaction Received After Student Is No Longer Enrolled**

If a school receives a subsequent ISIR transaction for a student who is no longer enrolled at the school and is not intending to reenroll, there is no requirement to adjust the student’s award if:

- the State Grant for the period of enrollment has already been disbursed; and
- at the time of disbursement, there was no conflicting information.

#### **6. Correcting Application Data for Prior Aid Year**

If the school discovers the student reported incorrect information on the FAFSA for a prior aid year, the school must correct the prior year FAFSA and make any necessary adjustments unless the federal processing system is no longer operational for that aid year.

#### **7. Treatment of Study Abroad Courses**

There are no special requirements for the treatment of study abroad courses with respect to determining the student’s enrollment level for the purposes of awarding, adjusting awards and calculating refunds. If the student registers directly with the foreign institution, there must be consortium or contractual agreement between the foreign institution and the eligible Minnesota institution. As long as the student is pursuing a credential at an eligible

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Minnesota institution, courses taken through study abroad are treated in the same manner as if they took place at the eligible Minnesota institution.

For example, a student registers for 15 credits at a foreign institution that has a consortium agreement with the eligible Minnesota institution. It is initially determined that all classes will count towards the student's degree program at the Minnesota institution. The State Grant would be awarded for 15 credits. The student earns a D in one class and an F in another class, so these classes will not transfer back to the eligible MN institution. The State Grant would not be adjusted since no adjustments would have been required had the student taken those classes at the Minnesota institution.

## **VII. Disbursement Process**

### **A. Disbursing Funds to Schools**

To improve cash management and timely State Grant reporting, the following requirements 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
- submitted its final batch and returned its end of year fund balance for the prior aid year in cases where the initial advance is requested 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. The Agency can reduce the advance if term awards are not yet adjusted for less than full-time enrollment levels. Schools can request additional funds once the initial installment has been disbursed to students.

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

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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.

## **B. Disbursing Funds to Students**

In general, State Grant funds may only be used to pay for the student's costs for the current academic year. However, a school may use current-year funds to satisfy prior-year charges for tuition, fees, room or board and, with written authorization from the student, other educationally related charges.

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 State Grant payment to a student for a payment period or term until the student has registered for classes. Schools are discouraged from delaying disbursements beyond the school's award adjustment end date to avoid award adjustments based on changes in enrollment level.

The institution is liable for all State Grant payments that are disbursed to a registered 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 payments disbursed to the student prior to the start of the enrollment period if the institution cannot document that the student did begin attending classes.

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If an institution posts a State Grant payment from its own funds to a student's account for a crossover term prior to the beginning of the new state fiscal year from which it is awarded, the payment must be cancelled or adjusted based on changes in enrollment, eligibility requirements or the award calculation formula that take place prior to receipt of State Grant funds by the institution.

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. Schools are required to report accurate term disbursement dates on the DDS record for each student (Appendix 12).

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

- for State Grant payments posted to a student account, the date the funds are posted to the student's account;
- for State Grant payments 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 payments 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 term payment periods during the academic year. The institution specifies on the budget questionnaire it

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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.’)

When a progressive clock hour school changes the number of hours in its academic year from one year to the next, the payment period hours for a crossover payment period would be based on the number of hours in a payment period for the aid year from which funds are awarded. For example, if the previous academic year was defined as 900 clock hours with two 450-hour full-time payment periods, and the student’s crossover payment period was funded from that aid year, the crossover payment period would contain 450 hours (assuming the student is full-time). Once the crossover payment period ends in the new aid year, the school must start using the new year’s academic year and payment period hours for any payment periods starting in that year.

## **2. Late/Retroactive Disbursement**

The State Grant disbursed to a student must be based on the student’s enrollment status as of the date of disbursement. If a student withdrew from a class prior to disbursement, those credits cannot be included in the student’s enrollment level. If a student withdrew from school or dropped below three credits or its equivalent prior to disbursement, the school cannot disburse any State Grant funds to the student for that term. If a student earned a grade of FN (failed but never attended) or FW (failed but stopped attending prior

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to finals) or the equivalent for a course, that course cannot be included in the student's enrollment level. All other grades, including F, NC and I shall be counted when determining the student's enrollment level.

At non term-based credit-hour schools, the State Grant award cannot be disbursed retroactively for a term during which the student withdrew from school, even if one or more sequential course modules were completed. Further, if a term is extended due to the student withdrawing from one or more courses but continuing on at the school, the student's enrollment level for retroactive State Grant disbursements cannot include credits for withdrawn courses.

In cases where a student earns a non-passing grade 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 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 Non-Passing Grades' in the 'Refund Process' section of this chapter.)

If a school disburses a State Grant to a student who is later determined to have a withdrawal date set prior to the disbursement, the school must complete the appropriate OHE Refund Calculation Worksheet (Appendix 13) or spreadsheet to determine if a refund is due the State Grant program. This can occur in cases where a school is not required to take attendance and becomes aware of the withdrawal after the date of disbursement. The school is not required to complete the OHE Refund Calculation Worksheet/Spreadsheet if there is no refund of institutional charges. However, the school must make a notation that the financial aid administrator reviewed the withdrawal and determined there would be no refund of institutional charges.

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

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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 academic 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 make State Grant payments:

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

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

When disbursing a State Grant check to the student, the institutional representative should request proper identification, preferably a picture ID. 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:



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- student's name,
- source and amount of state and other financial aid payments 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 payments disbursed to the student's account.

If the institution chooses to disburse State Grant payments 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,

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- source and amount of state and other financial aid payments 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 for study abroad, the student's State Grant payment should be credited to the student's account. Any excess funds can be mailed to the student or deposited in the student's bank account via EFT unless the 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 or deposit the funds in the student's bank account via EFT, if so authorized. However, the student must be registered for credit at an eligible Minnesota school or the eligible Minnesota school must have a consortium or contractual agreement with the foreign school.

#### **6. Payment of Unpaid Institutional Charges**

At the time of disbursement, a school may require a student to pay all institutional charges currently due the school. Minnesota financial aid recipients cannot have stricter payment requirements than students who do not receive financial aid.

#### **7. Student Account Balances**

Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those

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disbursements 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 to hold funds.

This also applies to cases where the institution posts State Grant disbursements to the student's account prior to receipt of State Grant funds from the Agency.

If an account balance remains after paying current year charges, the school may apply funds to satisfy any remaining prior year charges for tuition, fees, room or board and, with written authorization from the student, other educationally related charges.

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 state credit balance by:

- the end of the loan period for state loans, and
- the end of the last payment period in the award year for which they were awarded for any other remaining balance of state financial aid disbursements.

If an institution attempts to disburse funds by check or EFT transaction to the student, and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student, provided those attempts take place within 45 days after the funds were returned or rejected. If no additional

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attempts to disburse funds are made, the funds must be returned to the program within that 45-day period. If an institution attempts to disburse funds by check to the student and the check is not cashed, the institution must return funds to the program within 240 days of the check being issued.

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 payments via EFT;
- hold excess funds in the student's account; or
- apply State Grant payments to prior year charges for other than tuition, fees, room and board.

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

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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.

## **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 or e-mail to the student or an 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, Conflicting Information and C Codes**

Before disbursing the State Grant award, the school is responsible for resolving any conflicting information and C codes on the student's ISIR or SAR, including unusual enrollment history flags. The school must also verify the data on the student's application if it is selected for verification using the verification criteria established by the Department of Education for federal student aid programs. These requirements also apply to schools that do not participate in federal aid programs. Schools should refer to the federal Application and Verification Guide for the aid year in question for detailed instructions. The verification guide and information about resolving conflicting information, C codes and unusual enrollment history flags are available at [www.ifap.ed.gov](http://www.ifap.ed.gov).

In instances where verification selection, conflicting information, C codes and unusual enrollment history flags take place after the State Grant was disbursed, all future disbursements must be held until the school resolves the issues. If corrections result in a reduced award, the school must bill the student for the overpayment and return the

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overpayment to its State Grant account. If a student fails to produce the required documentation, the student should be billed for the entire amount previously disbursed.

A school is not required to adjust the award based on a subsequent ISIR transaction received after the student stopped enrollment at the school provided the award has already been disbursed and there was no conflicting information at the time of disbursement. If the school discovers the student reported incorrect information on the FAFSA for a prior aid year, the school must correct the prior year FAFSA and make any necessary adjustments unless the federal processing system is no longer operational for that aid year.

#### **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 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 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

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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 payment periods due to different enrollment levels for the State Grant and Pell Grant programs. However, schools participating in federal financial aid programs should check satisfactory academic progress based on federal payment periods. (See also 'Satisfactory Academic Progress' in the Common Definitions chapter of this manual.) 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 payment period by the percentage shown on the following chart. Sample payment period charts are available in Appendix 15.

<b>Determining Number of Clock Hours in Payment Period for Less Than Full-Time Enrollment</b>		
<b>State Grant Level</b>	<b>Average Clock Hours Per Week</b>	<b>Multiply Hours in Full-Time Payment Period by:</b>
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

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(1) When Remaining Annual Credits Are Less Than Actual Enrollment Level

Students may receive a State Grant for up to 60 quarter credits or 45 semester credits within an aid year (July 1–June 30). This also includes payment periods at clock hour schools where enrollment level is translated to credits [see ‘State Grant Enrollment Levels’ chart on page 26 of this chapter]. In cases where the student’s remaining credits of eligibility for the final payment period of the aid year are less than the student’s actual enrollment level, the remaining credits are the enrollment level used to determine the amount of the award. However, the number of hours in the clock hour payment period must be based on the student’s *actual* enrollment level (see ‘Determining Enrollment Status Throughout the Academic Year at Progressive Clock Hour Schools’).

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

(1) Determining Average Clock Hours Per Week

To determine the student’s average clock hours per week during a period of time, the school would divide the number of clock hours the student attended during the period by the number of scheduled weeks during the period. The number of scheduled weeks is derived by multiplying the number of scheduled days by .20. Scheduled days do not include approved leaves of absences, excused absences, vacations, school closings, holidays or breaks.

For example, if a student had four days of unexcused absences and completed 336 clock hours during 58 of 62 scheduled days during the period of time, the student would have averaged 27.10 clock hours per week. Sixty-two *scheduled* days multiplied by .20 = 12.4 weeks. The total clock hours during this period (336) is then divided by 12.4 weeks, resulting in average clock hours of 27.10 per week.

(2) 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



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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.

Payment periods and enrollment levels must also be determined and documented for students who do not financially qualify for an award, in which case the “disbursement date” is the date the school determines the student’s enrollment level and payment period.

The hours in each payment period must be based on the academic year and payment period definitions for the aid year from which funds are awarded. (See also ‘Awards for Summer or Non-Standard Terms’ in this chapter.)

Since students are not eligible to receive a State Grant during high school, any hours completed before the student finished high school should not be considered when determining the student’s enrollment level.

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 original award. However, if the student withdraws from school, then a refund calculation is required if there is a refund of institutional charges. (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. In cases where the student withdraws during a payment period and re-

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enrolls at a later date, see also ‘Post-Withdrawal Disbursement for Returning Students at Progressive Clock Hour Schools.’

(3) 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.

These same rules apply even when a student does not financially qualify for an award.

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

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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**

	<b>Payment Period 1</b>	<b>Payment Period 2</b>	<b>Payment Period 3</b>
<b>Disbursement Date</b>	First day of Payment Period 1	First day of Payment Period 2	Delayed until first day of fourth week of Payment Period 3
<b>Contracted Hours per Week</b>	Full-time 35 hours	N/A	N/A
<b>Enrollment Level for Payment Period</b>	Level 15 (based on contracted hours)	Level 12 (based on average hours per week for Payment Period 1)	Level 14 (based on average hours per week during Payment Period 2 through third week of Payment Period 3)
<b>Payment Period Hours</b>	600 hours	480 hours (600 x 12/15ths)	560 hours* (600 x 14/15ths)
<b>Number of Scheduled Days in Period</b>	125	85	75
<b>Number of Weeks in Period</b>	125 x .20 = 25 weeks	85 x .20 = 17 weeks	75 x .20 = 15 weeks
<b>Average Hours per Week Used for Next Period</b>	600/25 = 24 = Level 12	480/17 = 28 = Level 14	NA
<b>Total Program Hours Completed/ Remaining at End of Payment Period</b>	600 completed 950 remaining	1,080 completed 470 remaining	1,550 completed 0 remaining
*State Grant payments for last payment period must be prorated by 470/560 since there are only 470 remaining hours in the student's program.			

(4) 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. This same rule applies to students who do not financially qualify for an award.

**Example of Delayed Disbursement at Clock Hour Institution**

<b>Length of Student's Cosmetology Program</b>	1,550 clock hours
<b>School's Definition of Full-Time Academic Year and Payment Period</b>	1,200 clock hours split into two full-time payment periods of 600 clock hours
<b>Period of Student's Enrollment Prior to Disbursement</b>	From September 2006 through February 2007 student completed 750 clock hours in 25.8 weeks
<b>Enrollment Status Used to Calculate Awards and Payment Period</b>	750 clock hours divided by 25.8 weeks = 29.07 hours per week = Level 14
<b>Student's first payment period</b>	560 hours (600 hours X 14/15ths)
<b>Student's second payment period</b>	560 hours (600 hours X 14/15ths)
<b>Student's third payment period</b>	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	$\frac{\text{Number of Clock Hours Remaining in Student's Program}}{\text{Number of Hours in Payment Period}}$
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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. The payment period award would initially be calculated based on costs for a full-time 600 hour period. However, because there are only 350 hours remaining in the

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student's program, the award would then be prorated by multiplying the award by 350/600 clock hours, or by .583.

## **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:

**Pro-Rating Term Award for Term Based Clock/Credit Hour Program  
Less Than One Academic Year in Length**

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

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.

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## **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.)

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
- Payment for second payment period cannot be disbursed until student returns to school and completes the remaining 317 hours of the first payment period.
- When determining the average hours per week the student attended during this payment period, the days in the leave of absence are excluded.

## **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 disburses 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 the school’s State Grant fund, the balance of which must be returned to the Agency at the close of the aid year. The deadline for returning funds to the Agency is August 31.

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## **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 funds disbursement if the school is not meeting the reporting schedule deadlines described below.

## **C. Required Reporting Schedule**

Each school is responsible for submitting a batch containing DDS records for both 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 must 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 for the new aid year. For schools who process aid for the leading summer term, the initial batch must be submitted in June. For schools with aid years starting with fall term, the initial batch must be submitted by August 1.
- Schools with payments for the leading summer term must submit a batch reflecting payment activity by July 15.
- 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.
- Winter quarter payment activity must be reported no later than January 15.

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- 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.
- Trailing summer term awards and enrollment levels must be reported as soon as students have enrolled for the trailing summer term. Payment activity must be reported by July 1.
- Schools must submit an error-free final batch to the Agency by August 31 along with a refund of all unused funds from that aid year.

Reporting deadlines are also shown in the ‘Calendar of Financial Aid Events and Reporting Deadlines’ 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 must report 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 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. DDS batch selection criteria are illustrated in Appendix 11.

#### **F. The DDS Record Layout**

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



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The DDS record contains fields for most of the data elements collected on the student's FAFSA record as well as need analysis results, enrollment level, term award/payment amounts and accurate term disbursement dates.

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 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 SFTP process to transmit DDS batches to the Agency. Schools interested in submitting data via SFTP 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

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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 calculate the federal need analysis results and 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 on-line output reports generated for the school after the DDS batch is processed by the Agency. Reports can either be viewed on-line or downloaded to the school's system.

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).

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

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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 by the end of year deadline for the DDS system or within 10 working days of a written request from the Agency. Failure to meet this deadline will result in the Agency delaying funds advances for the next academic year. 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) noting a detailed reason for the refund.

### **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, there is a refund of institutional charges for a student who withdrew from school or had a change in enrollment, all or a portion of that 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 appropriate Office of Higher Education Refund Calculation Worksheet or spreadsheet (Appendix 13) or similar form must be used to document the calculation of refunds to the State Grant program. The appropriate worksheet is for the school’s use and is not intended to be sent to the Agency. This worksheet is also available in spreadsheet format on the Agency’s web page under Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets & Instructions.

The school is not required to complete the OHE Refund Calculation Worksheet/Spreadsheet if there is no refund of institutional charges. However, the school must make a notation that the

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financial aid administrator reviewed the withdrawal and determined there would be no refund of institutional charges.

## **1. Change in Enrollment Level**

### **a. Term-Based Credit-Hour Schools**

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 13c) or spreadsheet 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 or complete the OHE Refund Calculation Worksheet/Spreadsheet. However, the school must make a notation that the financial aid administrator reviewed the withdrawal and determined there would be no refund of institutional charges.

The following example illustrates the difference between a case where the Agency’s Refund Calculation Worksheet or spreadsheet 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 attends and then withdraws from a class or classes before the school’s award adjustment end date. Recalculation of the award occurs when a student drops a class or classes without having attended the class.)

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<b>Example of Adjustments to Award Due to Reduced Enrollment</b>		
<b>State Grant Term Awards</b>	<b>Refund Case A</b>	<b>Recalculation Case B</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 before the school’s award adjustment end date 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 13c) 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 school would continue to report 15 credits for the student’s term enrollment level on the State Grant DDS record.</p>	<p>The student initially received a Level 15 State Grant of \$800 for fall quarter but did not begin a two-credit course and dropped those two credits, resulting in an enrollment status change to Level 13. The State Grant must be recalculated and the difference between Level 15 and Level 13 term awards (\$106) must be returned to the State Grant program.</p> <p>The school would report 13 credits for the student’s term enrollment level on the State Grant DDS record.</p>

**b. Non Term-Based Credit-Hour Schools**

Non term-based credit-hour schools that combine sequential course modules into a term are not subject to refund calculations for partial withdrawals. Since courses are offered sequentially, student withdrawals are subject to refunds for total withdrawals and/or refunds for award recalculations. (See ‘Enrollment Level at Non Term-Based Credit-Hour Schools,’ ‘Adjustment of Awards for Students Attending Non Term-Based Credit-Hour Schools’ and ‘Total Withdrawal – Non Term-Based Credit-Hour Schools’ sections in this manual for further guidance.)

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## 2. Total Withdrawal

### a. Term-Based Credit-Hour 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 (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 or spreadsheet), not to exceed the amount of the State Grant payment the student initially received for the term (if the school charges by the term) or aid year (if the school charges upfront for the entire program), must be returned to the State Grant program. Schools should use the appropriate Office of Higher Education Refund Calculation Worksheet (Appendix 13) for a full withdrawal to calculate the amount of funds to return to state financial aid programs. The worksheet is also available in spreadsheet format on the Agency’s web site under Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets & Instructions.

The school is not required to complete the OHE Refund Calculation Worksheet/Spreadsheet if there is no refund of institutional charges. However, the school must make a notation that the financial aid administrator reviewed the withdrawal and determined there would be no refund of institutional charges.

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If a school disburses a State Grant to a student who is later determined to have a withdrawal date set prior to the disbursement and there is a refund of institutional charges, the school must complete the appropriate OHE Refund Calculation Worksheet (Appendix 13) or spreadsheet to determine if a refund is due the State Grant program. This can occur in cases where a school is not required to take attendance and becomes aware of the withdrawal after the date of disbursement.

On Line A of the Refund Calculation Worksheet/spreadsheet, the school would enter the total amount of all (federal, state, institutional, private) financial aid and cash received to date for the term or payment period (if the school charges by the term or payment period) or program (if the school charges upfront for the entire program), not to exceed the amount of the original institutional charges. In other words, if a student received \$4,000 in financial aid and the original institutional charges were only \$3,500, the excess \$500 disbursed to the student for non-institutional expenses would not be reported on Line A.

For schools charging upfront for the entire program, all financial aid and cash received to date for the program (which might include aid disbursements to the student for living expenses) is reported on Line A but is then capped at the amount of the original institutional charge for the program. (See example on second tab of OHE Refund Calculation Spreadsheet for schools charging by program.)

On Line B of the refund worksheet, the school would report the amount of institutional charges it is allowed to retain for the term or payment period (if the school charges by term or payment period) or program (if the school charges upfront for the entire program) per its institutional or state-mandated refund policy. Most schools rely on their institutional or accrediting agency's refund policy, but certain proprietary schools are required to use a state-mandated policy, such as cosmetology schools (Minnesota Board of Cosmetologist Examiners) and for-profit institutions not offering degrees.

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In the case where a school is first performing an award recalculation prior to a refund for a total withdrawal, the amounts on lines A and B should only include amounts for the revised enrollment level. For example, if the school disbursed a Level 15 State Grant to a student who first dropped or withdrew from a three-credit class without attending the class, and later fully withdrew from school, the school would first refund the difference between the Level 15 and Level 12 State Grants and then perform the total withdrawal refund calculation using the Level 12 State Grant amount.

Line C of the refund worksheet is the gross refund calculated by subtracting Line B from Line A. If the amount on Line C is not greater than zero, there is no refund required for state financial aid programs. If Line C is greater than zero, the school would report the amount of the school's share of any required refund to federal financial aid programs on Line D (from Step 5.O. of the federal refund worksheet), with Line E representing Line C minus Line D.

If the amount on Line E is not greater than zero, no refund to state financial aid programs is required. If the amount on Line E is greater than zero, it must be 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 the amount listed on Line E.

To determine the proportional share of the refund due each non-federal financial aid program, the school would first list all non-federal financial aid programs in Part Two of the Refund Calculation Worksheet (Title IV aid, State Work Study earnings, and payments made by the student should not be included) that require a portion of any refund of institutional charges. For non-Title IV loans disbursed by institutions that charge by the term or payment period, use the total loan divided by the number of attendance periods in the loan period. Institutional aid may also be included if the program requires a refund upon withdrawal. Once the amount of the total non-Title IV



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aid package is known, divide the student's State Grant 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. In cases where the original State Grant payment is first recalculated to exclude credits for a course the student didn't attend, if the student subsequently withdraws from school, the revised (i.e., recalculated) State Grant should be listed in Part Two of the Refund Calculation Worksheet. The same would apply to the other state financial aid programs listed in Part Two of the worksheet.

<b>Example of Proportional Distribution of Refund to Non-Federal Aid Programs Institution Charges by Term</b>	
<u>Non-Title IV Aid Package for Fall Term</u>	
State Grant	\$1,000 (23.8%)
SELF Loan	\$2,000 (47.6%)
YMCA Scholarship	\$ 800 (19.1%)
Inst Scholarship	\$ 400 ( 9.5%)
<b>TOTAL</b>	<b>\$4,200</b>
 <b><u>Case A</u></b>	
Refund of institutional charges = \$1,000	
Remaining refund after subtracting institutional share of Title IV refund = \$700	
Amount of remaining refund due State Grant = \$700 x .238 = \$166.60 = \$167	
Amount of remaining refund due SELF Loan = \$700 x .476 = \$333.20 = \$333	
 <b><u>Case B</u></b>	
Refund of institutional charges = \$6,000	
Remaining refund after subtracting institutional share of Title IV refund = \$5,700	
\$5,700 x .238 = \$1,357 which exceeds State Grant term award of \$1,000	
\$1,000 would be refunded to State Grant	
\$5,700 x .476 = \$2,713 which exceeds SELF Loan term award of \$2,000	
\$2,000 would be refunded to SELF Loan	

**b. Non Term-Based Credit-Hour Schools**

When a student withdraws from a non term-based credit-hour school, the point of withdrawal will determine whether the school must perform an award recalculation or total withdrawal refund, or both. In general, if a student withdraws *between* a completed course and the next course, an award recalculation is performed. If a student withdraws *during* the *last* course of the term after beginning attendance in that course, the school would perform a refund for a total withdrawal using the appropriate

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OHE Refund Calculation Worksheet (Appendix 13) or spreadsheet if there is a refund of institutional charges. If a student withdraws *during* a course, and there are remaining courses in the term that will not be attended, the school must first recalculate the State Grant award to exclude credits for the remaining courses, and then perform a total withdrawal refund using the appropriate OHE Refund Calculation Worksheet (Appendix 13) or spreadsheet listing the State Grant award amount for the classes the student did attend during the term if there is a refund of institutional charges. For further guidance, see sections ‘Enrollment Level at Non Term-Based Credit-Hour Schools’ and ‘Adjustment of Awards for Students Attending Non Term-Based Credit-Hour Schools’ in this manual.

(1) Post-Withdrawal Disbursement for Returning Students at Non Term-Based Credit-Hour Schools

If a student at a non term-based credit-hour school withdraws from school and subsequently reenrolls in the same program during the same aid year, any refunds for award recalculations and withdrawals can be reversed and the original term award reinstated, provided the student still meets all program eligibility requirements. The length of the term would typically be extended and the student’s enrollment level increased to compensate for the additional class. If the student reenrolls in the next aid year, different guidelines apply. For further guidance on both of these scenarios, refer to the sections on ‘Enrollment Level at Non Term-Based Credit-Hour Schools,’ ‘Adjustment of Awards for Students Attending Non Term-Based Credit-Hour Schools,’ and ‘Awards for Summer or Non-Standard Terms’ in this manual.

**c. 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 award must be recalculated to zero and funds must be returned to the State Grant program.

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If a student withdraws and the refund policy used by the school results in a refund of institutional charges, 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. The proportional share is based on a percentage determined by dividing the amount of State Grant funds received by the total non-Title IV aid received.

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 (if school charges by the payment period) or aid year (if school charges upfront for the entire program), 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 OHE Refund Calculation Worksheet (Appendix 13a) should be based on the funds received and charges retained for the payment period. Otherwise, schools charging upfront for the entire program should use the OHE Refund Calculation Worksheet, Appendix 13b, with lines A and B representing the funds received and charges retained for the entire program. (See second tab of OHE Refund Calculation Spreadsheet for schools charging upfront for program.)

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. 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

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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, as shown in the chart that follows.

<b>Example of Refund Distribution at Clock Hour Institution Where Refund Period Based on Payment Period</b>		
Academic year = 900 hours (450 Clock Hours in Level 15 Semester Payment Period)		
State Grant Level 14 Payment	<u>\$ 500</u>	
State Grant Level 14 Payment Period		420 clock hours = \$1.19 (26.3%)
SELF Loan	<u>\$2,000</u>	
SELF Loan Award Period		900 clock hours = \$2.22 (49.1%)
Institutional Scholarship	<u>\$1,000</u>	
Scholarship Award Period		900 clock hours = <u>\$1.11</u> (24.6%)
		\$4.52 (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	
$\$733 \times 26.3\% = \$193$ State Grant Portion of Remaining Refund $\$733 \times 49.1\% = \$360$ SELF Loan Portion of Remaining Refund $\$733 \times 24.6\% = \$180$ Institutional Scholarship Portion of Remaining Refund		

(1) 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 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

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student's enrollment level from the beginning of the previous payment period to the current date of disbursement. For students who re-enroll in this manner, 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.

If a student attending a progressive clock hour school withdraws from school but re-enrolls at the same school more than 180 days *after* the withdrawal date, the timing of the next State Grant disbursement to the student will be based on the terms of the contract under which the student re-enrolls. If the student re-enrolls under the previous contract without incurring additional charges, the school may not disburse additional State Grant funds to the student until the hours in the payment period during which the student withdrew have been completed. If the student re-enrolls under a new contract subject to additional charges, the student is eligible to receive a State Grant disbursement at the onset of the new period of enrollment as would any other new or transfer student. When students re-enroll more than 180 days after the date of withdrawal, any refunds to state financial aid programs for the student's withdrawal cannot be reversed.

### **3. 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 13b) or spreadsheet should reflect all financial aid and cash received to date for the aid year, not to exceed the amount of total institutional charges. This includes any cash disbursements to students for living expenses during the course of the program. (See example on next page.) 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 entire program.

**MN Office of Higher Education Refund Calculation Spreadsheet  
for Use by Schools Charging Upfront for Program  
EXAMPLE**

Last Revised March 3, 2015  
TO RESET SPREADSHEET, PRESS CTRL+SHIFT+Z

This form should be used to calculate refunds for all state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students upfront for the entire program and whose refund policies are based on the percentage of the program completed. (Note: Refunds are never required for the State Work Study program.)

Student Name: Mary Student SSN: 111-22-3333  
 Did student totally withdraw? Yes Date of withdrawal/enrollment change: 9/15/2015

**PART I - DETERMINING AMOUNT OF NET REFUND**

**A.** Amount of financial aid and cash received to date for the entire program, including any funds disbursed to the student for living expenses and any post-withdrawal disbursements of Title IV financial aid and funds disbursed to the student for living expenses. Exclude federal or state work study funds. If funds received to date for the program exceed the original institutional charges\* for the program, cap Line A at the amount of the original institutional charges for the program. Include cents.

**A** \$15,010.00

Represents the amount of financial aid and cash received for the entire program (including any funds disbursed directly to the student for living expenses), but capped at the amount of original program charges.

**B.** Amount of original institutional charges for the program the school can retain per its institutional or state-mandated refund policy.

**B** \$13,600.00

This represents the amount of original program charges the school can retain per its institutional or state-mandated refund policy.

**C. GROSS REFUND**

**C** \$1,410.00

This is the gross refund. If the result were negative or zero, there would be no refund due to state financial aid programs.

GO TO D!

**D.** Amount of institutional share of any required refund for Title IV financial aid programs from Step 5, Box O of Return of Title IV Funds Refund Worksheet. If there is no refund required for Title IV programs, enter 0.

**D** \$500.00

Amount refunded to Title IV does not represent actual R2T4 policy and is used only to illustrate an example.

**E. NET REFUND**

**E** \$910.00

This represents the net refund that will be proportionally distributed to non-Title IV programs requiring refunds upon withdrawal. If this amount is negative or zero, there will be no refund due to state financial aid programs.

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended, and 34 CFR 668.22.

**PART II - DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received to date during the student's program and for the current aid year including any funds disbursed to the student for living expenses. Include only programs requiring refunds when a student withdraws from school which can include institutional and private scholarships or other forms of non-Title IV aid. Do NOT include work study awards.

Program Name	Amount Disbursed During Program	Amount Disbursed Current Aid Year	% of Non-Title IV Package	Share of Box E Refund	Final Amount of Refund Due Program
1 State Grant	\$1,767	\$900	19.1%	\$173.52	\$173.52
2 Child Care Grant	\$0	\$0	0.0%	\$0.00	\$0.00
3 Safety Officer's Survivor Grant	\$0	\$0	0.0%	\$0.00	\$0.00
4 SELF Loan	\$5,500	\$2,750	59.4%	\$540.09	\$540.09
5 MN Indian Scholarship	\$0	\$0	0.0%	\$0.00	\$0.00
6 MN GI Bill	\$0	\$0	0.0%	\$0.00	\$0.00
7 School Scholarship	\$2,000	\$1,000	21.6%	\$196.40	\$196.40
8			0.0%	\$0.00	\$0.00
9			0.0%	\$0.00	\$0.00
10			0.0%	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$9,267</b>	<b>\$4,650</b>	<b>100.0%</b>	<b>\$910.00</b>	<b>\$910.00</b>

Amounts in green column represent the lesser of the proportional share of Box E Refund or the Amount Disbursed Current Aid Year.

\*\* The SELF loan program should only be included if the student totally withdrew from school or a dropped below half-time status.  
 \*\*\* These programs should only be included if the student totally withdrew from school.

	Payment Period 1 Hours 1 – 450 Summer 2015 2014-2015 Aid Year	Payment Period 2 Hours 451 – 900 Fall 2015 2015-2016 Aid Year
Original Institutional Charges for Program	\$18,000 Tuition \$ 1,000 Kit \$19,000	
Federal Pell Grant	\$ 2,865	\$ 2,888
MN State Grant	\$ 857	\$ 900
SELF Loan	\$ 2,750	\$ 2,750
Cash Paid by Student	\$ 0	\$ 0
School Scholarship	\$ 1,000	\$ 1,000
Total Financial Aid and Cash Received	\$ 7,472	\$ 7,538
Charges Allocated to Payment Period	\$ 5,226 tuition* \$ 1,000 kit \$ 6,226 <small>*\$18,000/1550 hours x 450 hours</small>	\$ 5,226 tuition* <small>*\$18,000/1550 hours x 450 hours</small>
Amount Disbursed to Student for Living Costs	\$ 1,246 (\$7,472 - \$6,226)	\$ 2,312 (\$7,538 - \$5,226)

Student withdrew at hour 600, completing 38.7 percent of total 1550 program hours. Per state cosmetology refund policy, school can retain 70 percent of program tuition charges (\$18,000 X .70 = \$12,600), plus \$1,000 for kit.

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#### **4. 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.

#### **5. Award Adjustment and Refunds for All Non-Passing Grades**

If a student receives a non-passing grade in all classes taken during the term, the applicable federal financial aid guidelines requiring schools to document attendance in these cases 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 any 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 that extended the length of the term 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 with any overpayment refunded to the program. If the unofficial withdrawal for the 3-credit class the student stopped attending took place prior to the school's award adjustment end date, the school must perform a partial withdrawal refund for the Level 12 State Grant using the Refund Calculation Worksheet (Appendix 13c) or spreadsheet unless there is no refund of institutional charges.

The state does not impose any stricter requirements upon schools to document attendance in these cases beyond those already in place for federal financial aid programs. In other words, if the school first documents the student did attend at least one class offered over

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the entire term or payment period 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.

## **6. 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 service-related disability. The applicable law can be accessed at [www.leg.state.mn.us](http://www.leg.state.mn.us) by retrieving Statute 192.502.

## **7. Refunds for Overpayments**

If a revision to the student's State Grant award for the current aid year results in an overpayment, the overpayment must be returned to the school's State Grant account for the current aid year. In cases where the cause of an overpayment may affect State Grant eligibility for previous aid years, the school is required to review the student's records for the three most recent previous aid years and return any overpayments to the Office using the Refund Return Form (Appendix 22). However, in cases where an auditor or school suspects fraudulent activity, student records must be reviewed for all previous aid years for which they are available and any resulting overpayments must be returned to the Office.

In cases where the school receives new information that would affect the student's need analysis result for prior aid year, the school is not required to make a correction if the federal processing system is no longer operational for the prior aid year.

# **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



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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 an 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.

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;

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- 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 ID 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 ID 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 state fiscal year, the financial aid office must reconcile its record of State Grant disbursements with:

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

The financial aid office must verify that financial aid records reflect the same disbursement amount for 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.

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STEP 2. The 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. The 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.

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 must 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

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balance due the Agency at the end of the academic year. (See Appendix 19 for further information about this report.)

### **3. Return of Excess Funds**

The school must return all excess funds to the Agency no later than August 31. 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.

### **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.

### **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**

A school must maintain a student account for each student. 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;

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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 or Spreadsheet (Appendix 13)) or, in cases where there is no refund of institutional charges, this may be a notation in the student's file;
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;
10. documentation of the unusual circumstances requiring a professional judgment change of dependency status or adjustment of EFC or cost of attendance; and
11. for private schools not participating in the Federal Pell Grant program, a signed student disclosure statement (Appendix 23) for all enrolled students.



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### **136A.121 STATE GRANT PROGRAM.**

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 50 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
- (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

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The minimum financial stipend is \$100 per academic year.

**Subd. 6. Cost of attendance.**

- (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.
- (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.
- (c) 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.
- (d) 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.

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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 living and miscellaneous expense allowance or the tuition and fee maximums 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, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term 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.

*[See Note.]*

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. 9b. [Repealed, 2013 c 99 art 2 s 30]

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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.

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

Subd. 12a. **Free Application for Federal Student Aid (FAFSA) compliance.** All eligible institutions must implement policies and procedures that ensure that applicants are aware that they must annually complete the FAFSA to be eligible for financial aid.

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.**

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- (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 commissioner that is directly related to the responsibilities of the office under this chapter and chapter 141. The commissioner 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 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 Management and Budget, the Governor's Office, legislative staff, and financial aid administrators.

Subd. 20. **Institution reporting.**

- (a) Each institution receiving financial aid under this section must annually report to the office the following for each award level:
  - (1) enrollment and graduation data for all students, including subgroup information on state and federal Pell grant recipients; and
  - (2) the aggregate awarded financial aid information for all students, and cumulative debt of all graduates by race and ethnicity, gender, and income.
- (b) Using the data submitted to the office by institutions pursuant to paragraph (a), as well as other data available to the office, the office shall provide the following on its Internet Web site by placing a prominent line on its Web site home page:
  - (1) information including, but not limited to, persistence and completion, debt of graduates, employment and wage information, and other relevant data for each institution subject to paragraph (a), which shall be made available in a searchable database; and

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- (2) other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but is not limited to, local occupational profiles.
- (c) The office shall provide a standard format and instructions for institutions supplying the information required under paragraph (a).
- (d) The office shall provide an electronic copy of the information provided on its Internet Web site under paragraph (b) to each public and private high school in the state and each workforce center operated by the Department of Employment and Economic Development. The copy must contain information formatted by institution so that comparison can be easily made between institutions. High schools are encouraged to make the information available to students, including through individual counseling sessions with students. Workforce centers shall make the information available to job seekers, those seeking career counseling, and others as determined by the centers.

**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; 2007 c 144 art 2 s 19,20; 2008 c 298 s 4; 2008 c 363 art 4 s 7; 2009 c 95 art 2 s 12-14; 2009 c 101 art 2 s 109; 2010 c 215 art 2 s 6; 1Sp2011 c 5 art 2 s 2; 2013 c 99 art 2 s 7,29; art 3 s 2

**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.

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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 management and budget.** Upon proper verification for payment of a grant, the office shall certify to the commissioner of management and budget 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) 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 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.
- (b) 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; 2009 c 101 art 2 s 109

#### **136A.1311 CASH FLOW.**

The Minnesota Office of Higher Education may ask the commissioner of management and budget 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 management and budget for loans to the Minnesota Office of Higher Education.

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**History:** 1991 c 356 art 8 s 14; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2009 c 101 art 2 s 109





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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.

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.

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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]

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]

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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;
- 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.

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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

4830.1000 [Repealed, 10 SR 2417]

4830.1100 [Repealed, 10 SR 2417]

4830.1200 [Repealed, 10 SR 2417]

4830.1300 [Repealed, 10 SR 2417]

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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]





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## **Minnesota State Grant Program Delivery System**

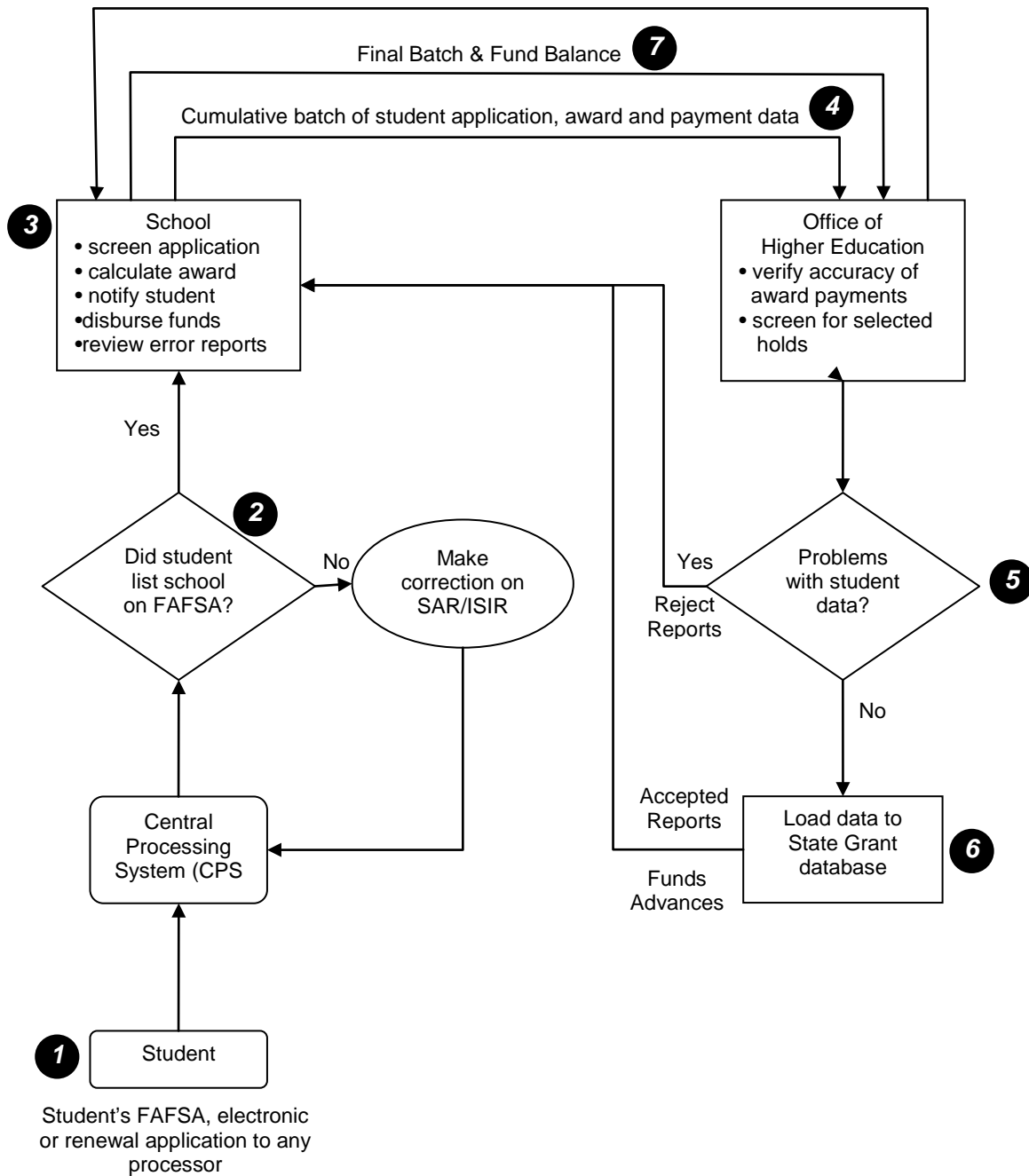
### **Decentralized Delivery System**

- 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 and payments for accuracy, generating output reports.
- Upon the school's request, the Agency advances funds to the school to cover awards submitted in the latest DDS batch.
- Schools resolve errors on output reports prior to disbursement.
- 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.?	Please provide the address at which your parents resided when you completed your Free Application for Federal Student Aid (FAFSA):						
<input type="checkbox"/> Yes <input type="checkbox"/> No    If "yes," in which state? _____ If "yes," date earned: ____/____/____							
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, your spouse or your parent: active federal military service in Minnesota, you are a spouse or dependent of a veteran who is a Minnesota resident, relocation to Minnesota from presidential disaster area within 12 months of disaster declaration, immediate relocation to Minnesota as refugee from another country; active member of Minnesota National Guard residing in Minnesota; active member of the reserve component of the U.S. Armed Forces who resides and whose duty station is located in Minnesota.							
<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: 50px;"></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 due to a major illness while under the care of a physician, or you withdrew from active military service after December 31, 2002, please make note of this below and provide the necessary documentation to your college financial aid administrator. <b>PLEASE LIST ALL COLLEGES ATTENDED, EVEN IF YOU DO NOT WISH TO TRANSFER CREDIT.</b>							
<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> <th style="text-align: left; border-bottom: 1px solid black;"><u>Enrollment Level</u></th> </tr> </thead> <tbody> <tr> <td style="height: 50px;"></td> <td></td> <td></td> </tr> </tbody> </table>		<u>Name of College</u>	<u>Dates of Enrollment</u>	<u>Enrollment Level</u>			
<u>Name of College</u>	<u>Dates of Enrollment</u>	<u>Enrollment Level</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? <input type="checkbox"/> Yes <input type="checkbox"/> No If you are currently residing outside of MN, are you enrolled in a distance education program offered by a MN college? <input type="checkbox"/> Yes <input type="checkbox"/> No							
_____ Student Signature	_____ Date Form Completed						

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<b>This Side for School Use Only</b>	
<p>In addition to screening for eight full-time semesters of postsecondary education (or the equivalent) 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.</p>	
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'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	Units < 72 date	Units Last Transaction	help
	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

Address: https://www.mheso.state.mn.us/SSL/SG/stateGrant2.cfm

### 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, 2005, 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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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: \_\_\_\_\_

MINNESOTA OFFICE OF HIGHER EDUCATION

Director of Financial Services

Name: Tim Geraghty

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Financial Aid Director

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Chief Fiscal Officer/Business Manager

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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## Guidelines for Verifying State Grant Eligibility Requirements

Eligibility Requirement	Data Triggering Eligibility Verification* and Suggested Documentation
<b>Undergraduate Program No Baccalaureate Degree</b>	FAFSA degree and grade level 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.
<b>Minnesota Residency</b>  (Schools using State Grant online student eligibility questionnaire can rely on those responses absent missing or conflicting information. See Appendix 24 for further details.)	FAFSA parent and student state of legal residence, date of legal residence, high school state, 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 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 <u>or</u> student earned a GED in Minnesota after living here 12 months <u>or</u> dependent student's parents resided in Minnesota when FAFSA was completed <u>or</u> student lived in Minnesota 12 months without attending college on a half-time basis or more. Twelve month requirement is waived for certain cases such as military service, natural disasters, refugee status, etc. (see 'Resident Student' definition in Common Definitions chapter).
<b>Minnesota Residency Under MN Dream Act</b>	Documentation collected by OHE. Documentation must prove student attending MN high school for at least three years, graduated from a MN high school or earned a MN GED, and complied with Selective Service registration requirements (if male). Undocumented students who do not meet MN Dream Act criteria can be considered a MN resident if they were granted Deferred Action for Childhood Arrivals (DACA) status prior to meeting one of the state residency criteria above.
<b>Not Receiving Tuition Reciprocity Benefits from Another State</b>	Admissions, business office and registration records.
<b>Limit on Postsecondary Education</b>  (Schools using State Grant online student eligibility questionnaire can use those responses absent missing or conflicting information. See Appendix 24 for further details.)	FAFSA year in college, degree/certificate and bachelor's degree questions along with date of birth. OHE eligibility questionnaire or 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 if student indicates previous enrollment of three or more years. (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). Federal NSLDS system also shows previous attendance if student received federal financial aid.

\*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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<b>Eligibility Requirement</b>	<b>Data Triggering Eligibility Verification* and Suggested Documentation</b>
<p><b>17 Years Old or High School Diploma/GED</b></p> <p>(High school students taking college courses are not eligible for State Grant)</p>	<p>FAFSA date of birth and high school graduation/GED responses are sufficient unless there is conflicting information. Documentation must prove student will be 17 or older at the time of disbursement or have high school diploma/GED. Suggested documentation would be high school diploma or GED certificate or birth certificate. (See information regarding alternate GED tests under 'High School Diploma, GED or 17 Years of Age' in this chapter.)</p>
<p><b>Enrolled 3 Credits or More in Program Leading to Degree, Diploma or Certificate</b></p>	<p>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.</p>
<p><b>Satisfactory Academic Progress</b></p>	<p>State adopts federal satisfactory academic progress policy used for Title IV financial aid programs.</p>
<p><b>State Grant Overpayment</b></p>	<p>The Agency stores data on its database about students who owe a State Grant overpayment and controls this eligibility criteria by informing schools about students on hold. Students 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).</p>
<p><b>Federal Loan Default</b></p>	<p>CPS interface with federal loan default data base (NSLDS). Verification documentation the same as for Title IV programs. Schools not participating in federal financial aid programs must rely on the student's SAR.</p>
<p><b>SELF Loan Default</b></p>	<p>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).</p>
<p><b>Child Support Arrears</b></p>	<p>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.</p>

\*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><b>* Translating total quarter bank credits to units.</b> 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><b>** Translating total semester bank credits to units.</b> 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><b>*** Total Units.</b> 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 <b>94.4</b> units. The corresponding cutoff for semester system schools is <b>93.6</b> 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	
<b>Total Banked Credits</b>				N/A		<b>Total Banked Credits</b>				N/A		
<b>Total Quarter Units</b>					*	<b>Total Semester Units</b>					**	
<b>Total Units ***</b>						<b>Terms of remaining eligibility</b>				<b>Date Reviewed:</b>		

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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><b>* Translating total quarter bank credits to units.</b> 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><b>** Translating total semester bank credits to units.</b> 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><b>*** Total Units.</b> 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 <b>94.4</b> units. The corresponding cutoff for semester system schools is <b>93.6</b> 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>Fall</i>	<i>92-93</i>	<i>15</i>	<i>12</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>							
<b>Total Banked Credits</b>				<b>N/A</b>	<b>5 (/12 = .417 FT Qtrs)</b>	<b>Total Banked Credits</b>				<b>N/A</b>	<b>9 (/12 = 75 FT Sems)</b>
<b>Total Quarter Units</b>				<b>60.9</b>	<b>*0</b>	<b>Total Semester Units</b>				<b>21.2</b>	<b>**9</b>
<b>Total Units *** (60.9 + 0 + 21.2 + 9)</b>			<b>91.1</b>			<b>Terms of remaining eligibility</b>		<b>1 qtr 1 sem</b>		<b>Date Reviewed: 7/1/10</b>	

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**2015-2016 STATE GRANT SHARED RESPONSIBILITY TERM AWARD CALCULATION  
Official Parameters**

The 2015-2016 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 2014-2015 shown in red.**

<p><b>+ Average tuition and fees for term</b></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 <b>\$6,920</b> for a semester and <b>\$4,613</b> for a quarter. The two-year full-time tuition and fee maximum is <b>\$2,868</b> for a semester and <b>\$1,912</b> 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 .733 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. <b>OHE has the authority to increase the maximums during the second year of the biennium (aid year 2016-2017) to use up any projected surplus of funds.</b></p>
<p><b>+ Living and Misc Expense Allowance (LME) for Term</b></p>	<p>The 9-month annual full-time LME of <b>\$8,828</b> is prorated for the term length (<b>\$4,414</b> for a semester; <b>\$2,942</b> for a quarter) and then prorated again if the enrollment level is less than 15 credits (e.g., by .733 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. OHE has the authority to increase the LME during the second year of the biennium (aid year 2016-2017) to use up any projected surplus of funds.</p>
<p><b>= State Grant Budget for Term</b></p>	<p>Derived by adding the term tuition and fees to the term LME.</p>
<p><b>- Student Share 50%</b></p>	<p><b>50 percent</b> of the State Grant Budget for Term OHE has authority to adjust this percentage during the year to address funding shortfalls.</p>
<p><b>- Parent Contribution for Term</b></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 for semester system; .3333 percent for quarter system). Multiply the term amount by .96. Do NOT prorate for less than full-time enrollment. Subtract the result within the award calculation. OHE has the authority to place a percentage surcharge on the PC due to projected funding shortfalls.</p>
<p><b>- Student Contribution/ EFC for Term</b></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 for semester system; .3333 percent for quarter system). Multiply the term amount by .86 for independent students with dependents other than a spouse or by .50 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 EFC due to projected funding shortfalls.</p>
<p><b>- Federal Pell Grant Term Award (based on the 2015-2016 Pell Grant Payment Schedule)</b></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 enrollment level by term length (50 percent for semester system; .3333 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><b>= State Grant Term Award</b></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 2015-2016 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 state university 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 = \$6,944  
 Full-Time (15 credits) semester tuition = \$3,472 (must limit tuition to 15 credits)  
 Annual mandatory fees\* charged to all students for 30 semester credits = \$1,106  
 Full-Time (15 credits) semester fees = \$553 (must limit fees to 15 credits)  
 Tuition and Fees for Semester = \$4,025

Annual Tuition and Fee Maximum for 4-Year College = \$13,840  
 Tuition and Fee Maximum for Full-Time Semester = \$13,840 X .50 = \$6,920  
 (maximum not increased for students taking more than 15 credits)

Tuition used in term award calculation = \$3,472  
 Fees used in term award calculation = \$ 553  
 \$4,025

LME used in award calculation + \$4,414 (\$8,828 X .50 = \$4,414)  
 (15 credit LME not increased for student taking more than 15 credits)

State Grant Budget for Term: = \$8,439

Minus 50% Student Share - \$4,220 (\$8,439 X .50 = \$4,220)

Minus FM Parent Contribution - \$ 723 (\$1,505 X .50 = \$753 X .96 = \$723)

Minus Full-Time Pell Grant - \$1,913 (\$3,825 X .50 = \$1,913)

State Grant Award for Term = \$1,583 (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 2015-2016 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 \$200.00 per credit for student taking 1 - 11 credits  
Tuition \$2,500 per semester for student taking 12 - 18 credits  
Tuition for Full-Time (15 credits) Semester = \$2,500  
Tuition for 13 Credit Semester = \$2,500 X 13/15ths or 86.7% = \$2,167.50 = **\$2,168**  
Annual mandatory fees\* charged to all students for 30 semester credits = \$600  
Full-Time (15 credits) semester fees = \$300  
Fees for 13 credit semester = \$300 X 13/15ths or 86.7% = \$260.10 = **\$260**

Tuition and Fees for 13 Credit Semester = \$2,428

Annual Full-Time (30 semester credits) Tuition and Fee Maximum for 2-Year College = \$5,736  
Maximum for Full-Time (15 credits) Semester = \$5,736 X .50 = \$2,868  
Maximum for 13 Credit Semester = \$2,868 X 13/15ths or 86.7% = \$2,487

Tuition used in term award calculation = \$2,168  
Fees used in term award calculation = \$ 260  
\$2,428

LME used in award calculation + \$3,827 (50% of 13/15 of 15 credit LME of \$8,828)  
(\$8,828 X .50 = \$4,414)  
(\$4,414 X .867 = \$3,827)

State Grant Budget for Term: = \$6,255

Minus 50% Student Share - \$3,128 (\$6,255 X .50 = \$3,128)

Minus FM Student Contribution - \$ 537 (\$2,145 X .50 = \$1,073)  
(\$1,073 X .50 = \$537)

Minus Full-Time Pell Grant - \$1,813 (50% of \$3,625)

State Grant Award for Term = \$ 777 (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 2015-2016 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 \$1,133.33 per credit X 30 credits = \$34,000  
Tuition for Full-Time (15 credits) Semester = \$34,000 X .50 = \$17,000

Annual mandatory fees\* charged to all students for 30 semester credits = \$500  
Full-Time (15 credits) semester fees = \$250

Annual Full-Time Tuition and Fee Maximum = \$13,840  
Maximum for Full-Time Semester = \$13,840 X .50 = \$6,920  
(Full-time private 4-year tuition maximum of \$13,840 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>	
		\$ 6,920	(tuition and fee maximum)
LME used in award calculation	+	<u>\$ 4,414</u>	(\$8,828 X .50 = \$4,414) (15 credit LME not increased for student taking more than 15 credits)
State Grant Budget for Term:	=	\$11,334	
Minus 50% Student Share	-	\$ 5,667	(\$11,334 X .50 = \$5,667)
Minus FM Parent Contribution	-	\$ 843	(\$1,755 X .50 = \$878 X .96 = \$843)
Minus Full-Time Pell Grant	-	<u>\$1,763</u>	(\$3,525 X 50%)
State Grant Award for Term	=	\$3,061	(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 2015-2016 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 \$1,133.33 per credit X 30 credits = \$34,000  
Tuition for Full-Time (15 credits) Semester = \$34,000 X .50 = \$17,000  
Tuition for 12 Credit Semester = \$17,000 X 12/15ths or 80% = \$13,600

Annual mandatory fees\* charged to all students for 30 semester credits = \$600  
Fees for Full-Time (15 credits) Semester = \$300  
Fees for 12 Credit Semester = \$300 X 12/15ths or 80% = \$240

Annual Full-Time Tuition and Fee Maximum = \$13,840  
Maximum for Full-Time (15 Credits) Semester = \$13,840 X .50 = \$6,920  
Maximum for 12 Credits Semester = \$6,920 X 12/15ths or 80% = \$5,536

Tuition used in term award calculation = \$-----  
Fees used in term award calculation = \$-----  
\$5,536 (tuition and fee maximum)

LME used in award calculation + \$3,531 (\$8,828 X .50 = \$4,414)  
(\$4,414 X .80 (12/15) = \$3,531)

State Grant Budget for Term: = \$9,067

Minus 50% Student Share - \$4,534 (\$9,067 X .50 = \$4,534)

Minus FM Student Contribution - \$ 964 (\$2,241 X .50 = \$1,121)  
(\$1,121 X .86 = \$964)  
(prorated by state)

Minus Full-Time Pell Grant - \$1,763 (\$3,525 X .50)

State Grant Award for Term = \$1,806 (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 2015-2016 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 2-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 \$8,160 band for students taking 12 - 18 credits = \$8,160  
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 = \$5,736  
Maximum for Full-Time (15 Credits) Semester = \$5,736 X 50% = \$2,868  
Maximum for 11 Credit Semester = \$2,868 X 11/15ths or 73.3% = \$2,102

Tuition used in term award calculation = \$-----  
Fees used in term award calculation = \$-----  
\$2,102 (tuition and fee maximum)

LME used in award calculation + \$3,235 (50% of 11/15 of 15 credit LME of \$8,828)  
(\$8,828 X .50 = \$4,414)  
(\$4,414 X .733 = \$3,235)

State Grant Budget for Term: = \$5,337

Minus 50% Student Share - \$2,669 (\$5,337 X .50 = \$2,669)

Minus FM Parent Contribution - \$1,358 (\$2,829 X .50 = \$1,415 X .96 = \$1,358)

Minus 3/4-Time Pell Grant - \$1,163 (\$2,325 X .50 = \$1,163)

State Grant Award for Term = \$ 147 (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 2015-2016 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 \$7,000.

\$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: \$5,736  
Maximum for Full-Time (15 Credits) Quarter = \$5,736 X .3333% = \$1,912  
Maximum for 7 Credit Quarter = \$1,912 X .467 (7/15ths) = \$893

Tuition used in term award calculation = \$-----  
Fees used in term award calculation = \$-----  
\$ 893 (tuition and fee maximum)

LME used in award calculation + \$1,374 (\$8,828 X .3333 = \$2,942)  
(\$2,942 X .467 (7/15) = \$1,374)  
(15 credit LME prorated for student taking fewer than 15 credits)

State Grant Budget for Term: = \$2,267

Minus 50% Student Share - \$1,134 (\$2,267 X .50 = \$1,134)

Minus FM Student Contribution - \$1,167 (\$7,000 X .3333 = \$2,333)  
(\$2,333 X .50 = \$1,167)  
(prorated by state)

Minus Half-Time Pell Grant - \$ 0

State Grant Award for Term = \$ 0 (under \$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 2015-2016 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: \$170 per credit X 30 Semester Credits = \$5,100  
 Tuition for Full-Time (15 Credits) Semester = \$5,100 X .50 = \$2,550  
 Tuition for 10 Credit Semester = \$2,550 X 10/15ths or 66.7% = \$1,701

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 = \$5,736 X .50 = \$2,868  
 $\$2,868 \times 10/15\text{ths or } .667 = \$1,913$

Award Calculation at Public College for 10 Credits

Tuition used in term award calc:	\$1,701	
Fees used in term award calculation:	<u>\$ 200</u>	
	\$1,901	(actual tuition and fees below cap)

LME used in award calculation	+ <u>\$2,957</u>	(\$8,828 X .50 = \$4,414) (\$4,414 X .667 = \$2,957) (LME would be limited to 8 credits if private college reported first)
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State Grant Budget for Term: = \$4,858

Minus 50% Student Share - \$2,429 (\$4,858 X .50 = \$2,429)

Minus FM Parent Contribution - \$ 0

Minus 3/4-Time Pell Grant - \$2,166 (\$4,331 X .50 = \$2,166)

State Grant Award for Term = \$ 263 (over minimum semester award of \$50)  
 at 2-Year Public College

\* 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: \$1,133.33 per credit X 30 credits = \$34,000

Full-Time Tuition for Semester = \$34,000 X .50 = \$17,000

Tuition for Remaining 5 Credits of Eligibility = \$17,000 X 5/15ths or 33.3% = \$5,661

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 5 Credits of Remaining Eligibility = \$300 X 5/15ths or 33.3% = \$100

Annual Tuition and Fee Maximum for 4-Year College = \$13,840

Maximum for Full-Time (15 credits) Semester = \$13,840 X 50% = \$6,920

Maximum for Remaining 5 Credits of Eligibility = \$6,920 X .333 (5/15ths) = \$2,306

### Award Calculation at Private 4-Year College for 5 Credits

Tuition and fees used:	\$2,306	(tuition and fee maximum for 5 credits)
LME used in award calculation	+ <u>\$1,470</u>	(\$8,828 X .50 = \$4,414) (\$4,414 X .333 (5/15ths) = \$1,470) (10 credits LME used at public college leaving 5 remaining credits of LME)
State Grant Budget for Term	= \$3,776	
Minus 50% Student Share	- \$1,888	(\$3,776 X .50 = \$1,888)
Minus Federal Parent Contribution	- \$ 0	
Minus Less Than Half-Time Pell Grant	- <u>\$ 722</u>	(\$1,444 X .50 = \$722)
State Grant Award for Term at Private 4-Year College	= \$1,166	(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 2015-2016 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: \$1,133.33 per credit X 30 credits = \$34,000  
 Full-Time Tuition for Semester = \$34,000 X .50 = \$17,000  
 Tuition for 10 Credits = \$17,000 X 10/15ths or 66.7% = \$11,339

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 Credits = \$300 X 10/15ths or 66.7% = \$200

Annual Full-Time Average Tuition at 2-Year Public College: \$170 per credit X 30 credits = \$5,100  
 Full-Time Tuition for Semester = \$5,100 X .50 = \$2,550  
 Tuition for 5 Remaining Credits of Eligibility = \$2,550 X 5/15ths or 33.3% = \$849

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 5 Credits of Remaining Eligibility = \$300 X 5/15ths or 33.3% = \$100

10 Credits Tuition and Fees at Private 4-Year College = \$11,539  
 5 Credits Tuition and Fees at Public 2-Year College = \$ 949  
 \$12,488

Private Tuition and Fee Maximum for 4-Year College for 15 Credits: \$13,840 X .50 = \$6,920  
 \$12,488 Exceeds Tuition and Fee Maximum of \$6,920, so \$6,920 will be used

Award Calculation at Private 4-Year College for Combined Credits

Tuition and fees used: \$ 6,920  
 LME used in award calculation + \$ 4,414 (\$8,828 X .50 = \$4,414)  
 (LME limited to 15 credits per term)

State Grant Budget for Term: = \$11,334  
 Minus 50% Student Share - \$ 5,667 (\$11,334 X .50 = \$5,667)

Minus State Parent Contribution - \$ 0

Minus Full-Time Pell Grant - \$ 2,888 (\$5,775 X .50 = \$2,888)

State Grant Award for Term = \$ 2,779 (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 2015-2016 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: \$13,840 for 1550 hour cosmetology program = \$8.39 per hour  
 Annual Tuition for Full-Time 1200 Hour Academic Year = 1,200 X \$8.39 = \$10,068  
 Tuition for Full-Time 600 Hour Payment Period/Semester = \$10,068 X .50 = \$5,034

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 = \$5,736  
 Maximum for Full-Time 600 Hour Payment Period = \$5,736 X .50 = \$2,868

Tuition used in term award calculation = \$-----  
 Fees used in term award calculation = \$-----  
 \$2,868 (private tuition and fee maximum)

LME used in award calculation + \$4,414 (\$8,828 X .50 = \$4,414)

State Grant Budget for Period: = \$7,282

Minus 50% Student Share - \$3,641 (\$7,282 X .50 = \$3,641)

Minus FM EFC - \$ 377 (\$1,505 X .50 = \$753)  
 (\$753 X .50 = \$377)  
 (prorated by state)

Minus Full-Time Pell Grant - \$2,113 (50% of \$4,225)

State Grant Award for Term = \$1,151 (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 2015-2016 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 22 hours per week (Level 11). 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. Student has 350 remaining hours in program.

Tuition \$5,000 for 350 hour manicurist program = \$14.29 per hour  
 Annual Full-Time Tuition for 1200 Hour Academic Year = 1,200 X \$14.29 = \$17,148  
 Tuition for Full-Time 600 Hour Payment Period = \$17,148 X .50 = \$8,574  
 Tuition for Level 11 440 Hour Payment Period = \$8,574 X 11/15ths or 73.3% = \$6,285

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 11 440 Hour Payment Period = \$174 X 11/15ths or 73.3% = \$127.50 = \$128

Annual Full-Time Tuition and Fee Maximum for 2-Year College = \$5,736  
 Maximum for Full-Time 600 Hour Payment Period = \$5,736 X .50 = \$2,868  
 Maximum for Level 11 440 Hours Payment Period = \$2,868 X 11/15ths or 73.3% = \$2,102





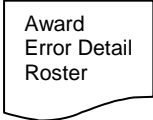
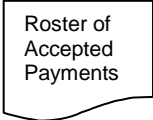
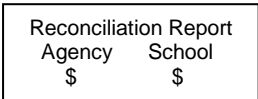
Tuition used in term award calculation	=	\$-----	
Fees used in term award calculation	=	<u>\$-----</u>	
		\$2,102	(tuition and fee maximum Level 11)
LME used in award calculation	+	<u>\$3,235</u>	(\$8,828 Level 15 LME X .50 = \$4,414) (\$4,414 X 11/15 (.733) = \$3,235) (LME for Level 11 period)
State Grant Budget for Period:	=	\$5,337	
Minus 50% Student Share	-	\$2,669	(\$5,337 X .50 = \$2,669)
Minus FM EFC	-	\$ 648	(\$1,505 X .50 = \$753) (\$753 X .86 = \$648) (prorated by state)
Minus 3/4-Time Pell Grant	-	<u>\$1,585</u>	(50% of 3/4-time annual Pell of \$3,169 = \$1,585)
State Grant Award for Level 11 Pay Period of 440 hours	=	\$ 435	(over minimum semester award of \$50)
Prorated State Grant Award for 350 remaining hours within 440 hour pay period \$435 X 350/440 (.80)	=	\$ 348	

\* 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.


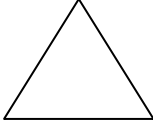



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### DDS Processing Cycle

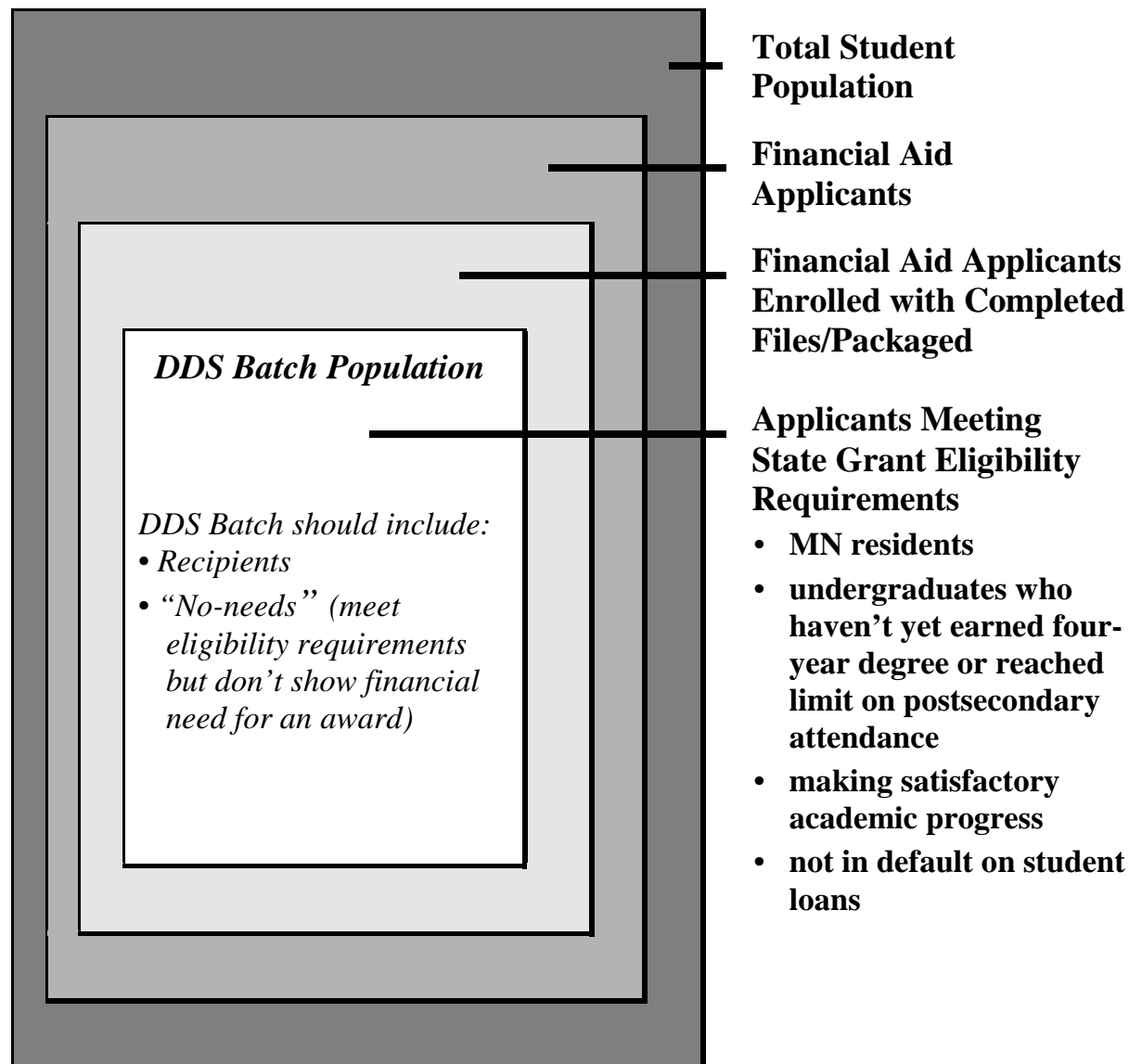
	<ol style="list-style-type: none"> <li>1. The DDS institution submits a batch of DDS records to the Agency via SG web access upload or automated SFTP process.</li> <li>2. School also requests funds using SG web access screen.</li> </ol>
	The Office of Higher Education provides an initial funds advance 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 listed under 'Reporting Deadlines' in the State Grant Manual.
	The school returns all excess funds and submits an error-free final batch by the end of year deadlines listed under 'Reporting Deadlines' in the State Grant manual.

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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
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If Size/Format column contains a "#", it means a numeric field may be populated with spaces if the corresponding field on the ISIR record contained spaces.

### NOTES FOR PROGRAMMERS

Instructions for programmers are provided below, as well as within the field description on the DDS record format. If you have questions, please contact Ginny Dodds at (651) 355-0610 or [Ginny.Dodds@state.mn.us](mailto:Ginny.Dodds@state.mn.us).

1. Records should be sent in ASCII and submitted via the Office of Higher Education's SG Web Access screen or via SFTP for schools using an automated SFTP process.
2. Alpha values (e.g., student's name) should be left-justified in the field. For example, the field for last name holds 16 characters. If the student's last name is only 10 characters, the name is followed by 6 spaces.
3. Numeric values should be right-justified and zero-filled (unless spaces are a valid value). For example, if a numeric field holds 4 digits, and you want to send a value of zero, fill the entire field with zeros - 0000. If you want to report \$20, send 0020; \$159 would be 0159; \$2,500 would be 2500, and so forth. Fields designated as numeric (9) should always contain positive numeric values, unless designated as a signed field. There are certain numeric fields for which spaces are acceptable if the student left the item blank on the application. When sending spaces in a numeric field, send all spaces; don't ever send a mixture of spaces and numbers. These fields are marked with a # sign on the DDS record format.
4. Signed numeric fields (shown as S9 on layout) are for values that could either be negative or positive. Signed numeric values should also be right-justified and zero-filled (unless spaces are a valid value). Do not use a minus or plus sign to identify whether the value is negative or positive. Rather, the last digit in the number should be send as an alpha value according to the following key:

<b>Last Digit Is:</b>	<b>Send this if positive:</b>	<b>Send this if negative:</b>
0	{,}? or 0	,,.,; or !
1	A or 1	J
2	B or 2	K
3	C or 3	L
4	D or 4	M
5	E or 5	N
6	F or 6	O
7	G or 7	P
8	H or 8	Q
9	I or 9	R

**Example: If field is S9(5) and you want to report -\$4,912, send 0491K.**

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
<b>SECTION A</b>					
<b>School Identifiers</b>					
MHESO-INST-CODE	School's 6 character institution identification code used for the Federal Pell Grant program.		1-6	X (6)	Inst, char 6
MHESO-SORT	Sort field - must always be left blank		7	X (1)	
MHESO-ACAD-YR	Constant '16' (for 2015-2016 aid year)		8-9	X (2)	aidyr, int
filler	area ignored		10-15	X (6)	
MHESO-SSN	Student's current Social Security Number	1349-1357	16-24	9 (9)	
<b>SECTION B</b>					
<b>Student/Parent FAFSA Data</b>					
<b>(This entire section can be copied from 2015-2016 ISIR positions 15 - 966)</b>					
MHESO-LAST-NAME	Student's last name	15-30	25-40	X (16)	
MHESO-FIRST-NAME	Student's first name	31-42	41-52	X (12)	
MHESO-MIDDLE-INIT	Student's middle initial	43	53	X (1)	
MHESO-STREET	Student's permanent street address	44-78	54-88	X (35)	
MHESO-CITY	Student's city of permanent residence	79-94	89-104	X (16)	
MHESO-STATE	Student's permanent state address Alphabetic U.S. postal code	95-96	105-106	X (2)	
MHESO-ZIP	Zip code of student's permanent address	97-101	107-111	X (5)	
MHESO-BIRTH	Student's date of birth - format CCYYMMDD	102-109	112-119	X (8)	dob, date
Filler	area ignored (Position 124-130 used by University of Minnesota for Student ID Code.)	110-201	120-211	X (92)	

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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 = Single 2 = Married/remarried 3 = Separated 4 = Divorced or widowed Blank	202	212	X (1)	Marital_status, c1
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)	Res_state_legal,c2
Filler	area ignored	211-316	221-326	X (106)	
MHESO-YRINSCH	Student's year in college 0 = 1 <sup>st</sup> year, never attended college 1 = 1 <sup>st</sup> year, previously attended 2 = Sophomore 3 = Junior 4 = Senior 5 = 5 <sup>th</sup> Year 6 = 1 <sup>st</sup> 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.)	317	327	X (1)	Yr_in_schl, char1
Filler	area ignored	318-369	328-379	X (52)	
MHESO-SS-TAX-STATUS	Student's tax return completed? 1 = already completed 2 = will complete 3 = will not file Blank	370	380	X (1)	Tax_status, c1

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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 2014 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	371	381	X (1)	Tax_form, c1
MHESO-SS-FILING-STATUS	Student's 2014 tax return filing status 1 = Single 2 = Married, joint return 3 = Married, filed separate return 4 = Head of household 5 = Qualifying widow(er) 6 = Don't know Blank	372	382	X (1)	
MHESO-SS-ELIG-SHORT	Student/spouse eligible to file a 1040A or 1040EZ? 1 = Yes, 2 = No, 3 = Don't know, Blank	373	383	X (1)	Elig_short_form,c1
MHESO-SS-AGI	Student's/spouse's 2014 federal adjusted gross income	374-380	384-390	S9 (7) #	Agi, int4
MHESO-SS-FIT	Student's/spouse's 2014 federal income tax paid	381-387	391-397	9 (7) #	Fed_income_tax, int4
MHESO-SS-EXEMPT	Student's/spouse's 2014 federal income tax exemptions claimed	388-389	398-399	9 (2) #	Tax_exemptions,int
MHESO-SS-STUJINC	2014 Student's income earned from work	390-396	400-406	S9 (7) #	Wages, int4
MHESO-SS-SPOINC	2014 Spouse's income earned from work	397-403	407-413	S9 (7) #	Wages_sp, int4
MHESO-SS-CASH	Student's/spouse's cash, savings, and checking account balance as reported on the FAFSA	404-410	414-420	9 (7) #	Savings, int4
MHESO-SS-INVEST-NET-WORTH	Student's/spouse's net worth of other real estate and investments as reported on the FAFSA	411-417	421-427	9 (7) #	Invest_equity, int4

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-SS-BUS-FARM-NET-WORTH	Student's/spouse's net worth of business and investment farm as reported on the FAFSA	418-424	428-434	9 (7) #	Farm_equity_int4
MHESO-SS-ED-CREDITS	Student's/spouse's educational credits as reported in FAFSA item #44a	425-431	435-441	9 (7)	Educ_credits
MHESO-SS-CHILD-SUP-PAID	Student's/spouse's child support paid as reported in FAFSA item #44b	432-438	442-448	9 (7)	Child_sup_paid
MHESO-SS-NEED-BASED-EMP	Student's/spouse's need-based employment income as reported in FAFSA item #44c	439-445	449-455	9 (7)	Need_based_employ
MHESO-SS-GRANT-AID	Student's/spouse's grant/scholarship aid as reported in FAFSA item #44d	446-452	456-462	9 (7)	Grant_aid
MHESO-SS-COMBAT-PAY	Student's/spouse's taxable combat pay as reported in FAFSA item #44e	453-459	463-469	9 (7)	Combat_pay
MHESO-SS-COOP	Student's/spouse's co-op earnings as reported in FAFSA item #44f	460-466	470-476	9 (7)	Coop_earn
MHESO-SS-PENSION	Student's/spouse's pension payments as reported in FAFSA item #45a	467-473	477-483	9 (7)	Pension
MHESO-SS-IRA	Student's/spouse's IRA payments as reported in FAFSA item #45b	474-480	484-490	9 (7)	Ira
MHESO-SS-CHILD-SUP-RECD	Student's/spouse's child support received as reported in FAFSA item #45c	481-487	491-497	9 (7)	Child_sup_recd
MHESO-SS-INT-INCOME	Student's/spouse's interest income as reported in FAFSA item #45d	488-494	498-504	9 (7)	Interest_income
MHESO-SS-IRA-DIST	Student's/spouse's IRA distributions as reported in FAFSA item #45e	495-501	505-511	9 (7)	Ira_dist
MHESO-SS-UNTAXED-PENSIONS	Student's/spouse's untaxed pensions as reported in FAFSA item #45f	502-508	512-518	9 (7)	Untaxed_pension

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-SS-MILITARY-CLERGY	Student's/spouse's military/clergy allowances as reported in FAFSA item #45g	509-515	519-525	9 (7)	Military_clergy
MHESO-SS-VETS-NON-ED-BEN	Student's/spouse's non-education vets benefits as reported in FAFSA item #45h	516-522	526-532	9 (7)	Vets_non_ed_benefit
MHESO-SS-OTHER-UNTAXED-INC	Student's/spouse's other untaxed income as reported in FAFSA item #45i	523-529	533-539	9 (7)	Other_untaxed_inc
MHESO-SS-OTHER-NON-REPORTED	Student's/spouse's other non-reported money as reported in FAFSA item #45j	530-536	540-546	9 (7)	Other_non_reported
Filler	area ignored	537-586	547-596	X (50)	
MHESO-BORN-BEFORE	Was student born before 1-1-1992? 1 = Yes; 2 = No, Blank	587	597	X (1)	Born_before, char1
MHESO-STUD-MARRIED	Is student married? 1 = Yes; 2 = No, Blank	588	598	X (1)	Married, char1
MHESO-GRAD-DEG	Is student working on a master's or doctorate program? 1 = Yes; 2 = No, Blank	589	599	X (1)	Grad_or_prof, char1
MHESO-ACTIVE-DUTY	Is the student on active duty in the U.S. Armed Forces? 1 = Yes, 2 = No, Blank	590	600	X (1)	Active_duty, char1
MHESO-VET	Is the student a veteran of U.S. Armed Forces? 1 = Yes, 2 = No, Blank	591	601	X (1)	Veteran, char1
MHESO-CHILDREN	Does the student have children he/she supports? 1 = Yes, 2 = No, Blank	592	602	X (1)	Children, char1

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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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-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	593	603	X (1)	Legal_dependents, char1
MHESO-ORPHAN	Was the student an orphan, ward of the court or in foster care after age 13 or older? 1 = Yes, 2 = No, Blank	594	604	X (1)	Orphan, char1
MHESO-EMANCIPATED?	As of the date the FAFSA was filed, was student an emancipated minor? 1 = Yes, 2 = No, Blank	595	605	X (1)	Emancipated
MHESO-LEGAL-GUARDIANSHIP?	As of the date the FAFSA was filed, was student in legal guardianship? 1 = Yes, 2 = No, Blank	596	606	X (1)	Legal_guardianship
MHESO-UNACCOMP-DISTRICT?	At any time after July 1, 2014, did school district liaison determine student was unaccompanied youth? 1= Yes, 2 = No, Blank	597	607	X (1)	Unaccomp_district
MHESO-UNACCOMP-HUD?	At any time after July 1, 2014, did HUD determine student was unaccompanied youth? 1= Yes, 2 = No, Blank	598	608	X (1)	Unaccomp_hud
MHESO-AT-RISK?	At any time after July 1, 2014, did homeless director consider student at risk of homelessness? 1= Yes, 2 = No, Blank	599	609	X (1)	At_risk
Filler	area ignored	600-604	610-614	X (5)	

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-PAR-MARSTA	Parents' marital status 1 = Married/Remarried 2 = Never Married 3 = Divorced/Separated 4 = Widowed 5 = Unmarried and both parents living together Blank	605	615	X (1)	Marital_status_pa
Filler	area ignored	606-637	616-647	X (32)	
MHESO-FATHER-DOB	Parent 1 date of birth - format CCYYMMDD	638-645	648-655	X(8)	Dob_fa, date
Filler	area ignored	646-671	656-681	X(26)	
MHESO-MOTHER-DOB	Parent 2 date of birth - format CCYYMMDD	672-679	682-689	X(8)	Dob_mo, date
Filler	Area ignored	680-729	690-739	X (50)	
MHESO-PAR-RES	Parents' state of legal residence Alphabetic U.S. postal code	730-731	740-741	X (2)	Res_state_legal_pa, c2
Filler	area ignored	732-738	742-748	X (7)	
MHESO-PAR-HOUSEHOLD	Parents' household size, as defined for Federal Methodology (report leading zero for single digit value, e.g. '05' for a household size of 5)	739-740	749-750	9 (2) #	Household_size_pa
MHESO-PAR-FAM-INCOL	Number of people in parents' household who are planning to attend college at least half-time during the 2015-2016 academic year (excluding parents)	741	751	9 (1) #	Household_in_college_pa
MHESO-PAR-SSI	Does anyone included in parents' household size receive Supplemental Security Income (SSI) benefits? 1 = Yes, 2 = No, Blank	742	752	X (1)	Security_income_pa

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-PAR-FOOD	Does anyone included in parents' household size receive Food Stamp benefits? 1 = Yes, 2 = No, Blank	743	753	X (1)	food_stamps_pa
MHESO-PAR-LUNCH	Does anyone included in parents' household size receive Free or Reduced Price Lunch benefits? 1 = Yes, 2 = No, Blank	744	754	X (1)	Lunch_reduced_pa
MHESO-PAR-TANF	Does anyone included in parents' household size receive TANF benefits? 1 = Yes, 2 = No, Blank	745	755	X (1)	Tanf_benefit_pa
MHESO-PAR-WIC	Does anyone included in parents' household size receive Women, Infants and Children (WIC) benefits? 1 = Yes, 2 = No, Blank	746	756	X (1)	Wic_benefit_pa
MHESO-PAR-TAX-STATUS	Parents' tax return completed? 1 = Already completed 2 = Will complete 3 = Will not file Blank	747	757	X (1)	Tax_status_pa
MHESO-PAR-RETURN-TYPE	Parents' federal tax return filed for 2014 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	748	758	X (1)	Tax_form_pa

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-PAR-FILING-STATUS	Parents' 2014 Tax Return Filing Status 1 = Single 2 = Married, filed joint return 3 = Married, filed separate return 4 = Head of household 5 = Qualifying widow(er) 6 = Don't know Blank	749	759	X (1)	
MHESO-PAR-ELIG-SHORT?	Parents eligible to file a 1040A or 1040EZ? 1 = Yes, 2 = No, 3 = Don't know, Blank	750	760	X (1)	Elig_short_form_pa
MHESO-PAR-DISLOCATED	Is either parent a dislocated worker? 1 = Yes, 2 = No, 3 = Don't know, Blank	751	761	X (1)	Dislocated_pa
MHESO-PAR-AGI	Parents' 2014 federal adjusted gross income	752-758	762-768	S9 (7) #	Agi_pa
MHESO-PAR-FIT	Parents' 2014 federal income tax paid	759-765	769-775	9 (7) #	Fed_income_tax_pa
MHESO-PAR-EXEMPT	Total number of exemptions claimed on parents' 2014 federal tax return	766-767	776-777	9 (2) #	Tax_exemptions_pa
MHESO-FATHER-INC	2014 Parent 1 income earned from work	768-774	778-784	S9 (7) #	Wages_fa
MHESO-MOTHER-INC	2014 Parent 2 income earned from work	775-781	785-791	S9 (7) #	Wages_mo
MHESO-PAR-CASH	Parents' cash, savings, and checking account balance as reported on the FAFSA	782-788	792-798	9 (7) #	Savings_pa
MHESO-PAR-INVEST-NET-WORTH	Parents' other real estate and investments net worth as reported on the FAFSA	789-795	799-805	9 (7) #	Invest_equity_pa
MHESO-PAR-BUS-FARM -NET-WORTH	Parents' business and investment farm net worth as reported on the FAFSA	796-802	806-812	9 (7) #	Farm_equity_pa
MHESO-PAR-ED-CREDITS	Parents' educational credits as reported in FAFSA item #93a	803-809	813-819	9 (7)	Educ_credits_pa

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MHESO-PAR-CHILD-SUP-PAID	Parents' child support paid as reported in FAFSA item #93b	810-816	820-826	9 (7)	Child_sup_paid_pa
MHESO-PAR-NEED-BASED-EMP	Parents' need-based employment income as reported in FAFSA item #93c	817-823	827-833	9 (7)	Need_based_employ_pa
MHESO-PAR-GRANT-AID	Parents' grant/scholarship aid as reported in FAFSA item #93d	824-830	834-840	9 (7)	Grant_aid_pa
MHESO-PAR-COMBAT-PAY	Parents' taxable combat pay as reported in FAFSA item #93e	831-837	841-847	9 (7)	Combat_pay_pa
MHESO-PAR-COOP	Parents' co-op earnings as reported in FAFSA item #93f	838-844	848-854	9 (7)	Coop_earn_pa
MHESO-PAR-PENSION	Parents' pension payments as reported in FAFSA item #94a	845-851	855-861	9 (7)	Pension_pa
MHESO-PAR-IRA	Parents' IRA payments as reported in FAFSA item #94b	852-858	862-868	9 (7)	Ira_pa
MHESO-PAR-CHILD-SUP-RECD	Parents' child support received as reported in FAFSA item #94c	859-865	869-875	9 (7)	Child_sup_recd_pa
MHESO-PAR-INT-INCOME	Parents' interest income as reported in FAFSA item #94d	866-872	876-882	9 (7)	Interest_income_pa
MHESO-PAR-IRA-DIST	Parents' IRA distributions as reported in FAFSA item #94e	873-879	883-889	9 (7)	Ira_dist_par
MHESO-PAR-UNTAXED-PENSIONS	Parents' untaxed pensions as reported in FAFSA item #94f	880-886	890-896	9 (7)	Untaxed_pension_pa
MHESO-PAR-MILITARY-CLERGY	Parents' military/clergy allowances as reported in FAFSA item #94g	887-893	897-903	9 (7)	Military_clergy_pa
MHESO-PAR-VETS-NON-ED-BEN	Parents' noneducation vets benefits as reported in FAFSA item #94h	894-900	904-910	9 (7)	Vets_non_ed_benefit_pa
MHESO-PAR-OTHER-UNTAXED-INC	Parents' other untaxed income as reported in FAFSA item #94i	901-907	911-917	9 (7)	Other_untaxed_inc_pa

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
Filler	area ignored	908-957	918-967	X (50)	
MHESO-SS-HOUSEHOLD	Independent student's/spouse's family size, as defined for Federal Methodology (report leading zero for single digit value, e.g. '05' for a household size of 5)	958-959	968-969	9 (2) #	Household_size
MHESO-SS-NR-INCOL	Number of people in independent student's household who are planning to attend college at least half-time during the 2015-2016 academic year	960	970	9 (1) #	Household_in_college
MHESO-SS-SSI	Does anyone included in independent student's household size receive Supplemental Security Income (SSI) benefits? 1 = Yes, 2 = No, Blank	961	971	X (1)	Security_income
MHESO-SS-FOOD	Does anyone included in independent student's household size receive Food Stamp benefits? 1 = Yes, 2 = No, Blank	962	972	X (1)	food_stamps
MHESO-SS-LUNCH	Does anyone included in independent student's household size receive Free or Reduced Price Lunch benefits? 1 = Yes, 2 = No, Blank	963	973	X (1)	Lunch_reduced
MHESO-SS-TANF	Does anyone included in independent student's household size receive TANF benefits? 1 = Yes, 2 = No, Blank	964	974	X (1)	tanf_benefit
MHESO-SS-WIC	Does anyone included in independent student's household size receive Women, Infants and Children (WIC) benefits? 1 = Yes, 2 = No, Blank	965	975	X (1)	Wic_benefit
MHESO-SS-DISLOCATED	Is student or spouse a dislocated worker? 1 = Yes, 2 = No, 3 = Don't know, Blank	966	976	X (1)	dislocated

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<b>SECTION C**</b>					
Need Analysis Data and Results					
Filler	area ignored		977-978	X (2)	
MHESO-LIVARR	Student's living arrangements during 2015-2016 1 = On campus 2 = With parents 3 = Off campus (Leave blank when OHE is calculating state need analysis and awards for school)	978	979	X (1)	
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)	1138	980	X (1)	Dep_status
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.)	1582-1587	981-986	9 (6)	Fed_efc
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.)	1841-1847	987-993	9 (7)	Fed_pc
MHESO-STATE-SC	Due to the elimination of a state need analysis formula, this field should be left blank or zero filled.		994-1000	9 (7)	State_sc
MHESO-STATE-PC	Due to the elimination of a state need analysis formula, this field should be left blank or zero filled.		1001-1007	9 (7)	State_pc

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-PRI-SEC	Primary/secondary calculation indicator for need analysis Space or P = use primary calculation results S = use secondary calculation results		1008	X (1)	
MHESO-ORIGIN-TYPE	Origin type O = EFC based on assumed (not actual) data R or Space = EFC based on actual (not assumed) data <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.		1009	X (1)	Assumption_flag
MHESO-PAR-COLL-OVER	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. Y = Yes, school wants override N or Blank = No override		1010	X (1)	Incollege_override_pa
MHESO-PRIOR-UNITS	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.)		1011-1015	999V99	
filler	area ignored		1016	X (01)	

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DPS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-MNRR-FORMULA	Federal Methodology formula type 1 = Dependent, Full Needs Test 2 = Independent w/o Dependents, Full Needs Test 3 = Independent with 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.)	1600	1017	X (01)	fm_formula
filler	area ignored		1018	X (01)	
<b>SECTION D</b>	<b>Award and Payment Data</b>				
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		1019-1023	9 (5)	Pell_ft_budget
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.		1024-1028	9 (5)	Pell_pt_budget
MHESO-PELL-FT	Annual full-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school)		1029-1032	9 (4)	Pell_ft_award
MHESO-PELL-3Q	Annual 3/4-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school)		1033-1036	9 (4)	Pell_3q_award
MHESO-PELL-HT	Annual 1/2-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school)		1037-1040	9 (4)	Pell_ht_award

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MHESO-PELL-PT	Annual less than half-time Pell Grant award (Leave blank when OHE is calculating state need analysis and awards for school)		1041-1044	9 (4)	Pell_pt_award
MHESO-PELL-PAID	Due to the elimination of the adjustment of the student's State Grant award for the 3 <sup>rd</sup> semester or 4 <sup>th</sup> quarter of the aid year, this field can be left blank or zero filled.		1045-1048	9 (4)	Pell_paid_prev_term
MHESO-EXTRA-TERM	Due to the elimination of the adjustment of the student's State Grant award for the 3 <sup>rd</sup> semester or 4 <sup>th</sup> quarter of the aid year, this field can be left blank or zero filled.		1049	X (1)	Pell_fill_term
MHESO-SUM1-ALT-PELL	Value of 'Y' indicates student's Pell Grant for the leading summer term is based on the Alternative Pell Grant disbursement schedule used for students enrolled in Career Pathways programs. Otherwise, leave blank.		1050	X (1)	
MHESO-FALL-ALT-PELL	Value of 'Y' indicates student's Pell Grant for fall term is based on the Alternative Pell Grant disbursement schedule used for students enrolled in Career Pathways programs. Otherwise, leave blank.		1051	X (1)	
MHESO-WTR-ALT-PELL	Value of 'Y' indicates student's Pell Grant for winter quarter is based on the Alternative Pell Grant disbursement schedule used for students enrolled in Career Pathways programs. Otherwise, leave blank.		1052	X (1)	
MHESO-SPRING-ALT-PELL	Value of 'Y' indicates student's Pell Grant for spring term is based on the Alternative Pell Grant disbursement schedule used for students enrolled in Career Pathways programs. Otherwise, leave blank.		1053	X (1)	
MHESO-SUM2-ALT-PELL	Value of 'Y' indicates student's Pell Grant for the trailing summer term is based on the Alternative Pell Grant disbursement schedule used for students enrolled in Career Pathways programs. Otherwise, leave blank.		1054	X (1)	
filler	area ignored		1055-1059	X (5)	

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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 2015 if it's the student's leading summer term of the 2015-2016 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.		1060-1061	9 (2)	Enrl_credits_su1
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1062-1066	9 (5)	Tuition_su1
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1067-1071	9 (5)	Fees_su1
MHESO-TF-CAP-SUM1	Determines which tuition and fee maximum is used to calculate the student's award for summer term 2015 if it's the student's leading term of the 2015-2016 aid year. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program		1072	X (1)	Tui_fee_cap_su1

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
MHESO-STATE-AWARD-SUM1	State Grant term award for summer term 2015 if it's the student's leading term of the 2015-2016 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.)		1073-1077	9 (5)	Award_offer_su1
MHESO-STATE-PAYMT-NET-SUM1	Net amount of State Grant funds disbursed to date for summer term 2015 if it's the student's leading term of the 2015-2016 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.)		1078-1082	9 (5)	Award_paid_su1
MHESO-DISB-DATE-SUM1	Disbursement date of State Grant funds disbursed for summer term 2015 if it's the leading summer term of the 2015-2016 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.)		1083-1090	X (8)	Disb_date_su1
MHESO-FALL-ENROL	Same as described under MHESO-SUM1-ENROL only for fall semester or quarter 2015. Assume and report enrollment status as 15 credits until actual registration load is known.		1091-1092	9 (2)	Enrl_credits_fa

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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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1093-1097	9 (5)	Tuition_fa
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1098-1102	9 (5)	Fees_fa
MHESO-TF-CAP-FALL	Determines which tuition and fee maximum is used to calculate the student's award for fall semester or quarter 2015. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program		1103	X (1)	Tui_fee_cap_fa
MHESO-STATE-AWARD-FALL	Same as described under MHESO-STATE-AWARD-SUM1 only for fall semester or quarter 2015. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1104-1108	9 (5)	Award_offer_fa
MHESO-STATE-PAYMT-NET-FALL	Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for fall semester or quarter 2015. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1109-1113	9 (5)	Award_paid_fa

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MHESO-DISB-DATE-FALL	Same as described under MHESO-DISB-DATE-SUM1 only for fall semester or quarter 2015. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1114-1121	X (8)	Disb_date_fa
MHESO-WTR-ENROL	Same as described under MHESO-SUM1-ENROL only for winter quarter 2015-2016. Report spaces if semester school. Assume and report enrollment status of 15 credits until actual registration load is known.		1122-1123	9 (2)	Enrl_credits_wi
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, MnSCU and U of M institutions will continue to report actual tuition and fees for the 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1124-1128	9 (5)	Tuition_wi
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1129-1133	9 (5)	Fees_wi
MHESO-TF-CAP-WTR	Determines which tuition and fee maximum is used to calculate the student's award for winter quarter 2015-2016. (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		1134	X (1)	Tui_fee_cap_wi

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MHESO-STATE-AWARD-WTR	Same as described under MHESO-STATE-AWARD-SUM1 only for winter quarter 2015-2016. Report zeros if semester school. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1135-1139	9 (5)	Award_offer_wi
MHESO-STATE-PAYMT-NET-WTR	Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for winter quarter 2015-2016. Report zeros if semester school. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1140-1144	9 (5)	Award_paid_wi
MHESO-DISB-DATE-WTR	Same as described under MHESO-DISB-DATE-SUM1 only for winter quarter 2015-2016. Report spaces if semester school. (Leave blank when OHE is calculating state need analysis and awards for school.)		1145-1152	X (8)	Disb_date_wi
MHESO-SPRING-ENROL	Same as described under MHESO-SUM1-ENROL only for spring semester or quarter 2016. Assume and report enrollment status of 15 credits until actual registration load is known.		1153-1154	9 (2)	Enrl_credits_sp
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1155-1159	9 (5)	Tuition_sp

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MHESO-TF-CAP-SPRING	Determines which tuition and fee maximum is used to calculate the student's award for spring semester or quarter 2016. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program		1165	X (1)	Tui_fee_cap_sp
MHESO-STATE-AWARD-SPRING	Same as described under MHESO-STATE-AWARD-SUM1 only for spring semester or quarter 2016. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1166-1170	9 (5)	Award_offer_sp
MHESO-STATE-PAYMT-NET-SPRING	Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for spring semester or quarter 2016. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1171-1175	9 (5)	Award_paid_sp
MHESO-DISB-DATE-SPRING	Same as described under MHESO-DISB-DATE-SUM1 only for spring semester or quarter 2016. (Leave blank when OHE is calculating state need analysis and awards for school.)		1176-1183	X (8)	Disb_date_sp
MHESO-SUM2-ENROL	Same as described under MHESO-SUM1-ENROL only for summer term 2016 if it's the student's trailing term of the 2015-2016 aid year. Report ONLY actual registration load and NOT assumed full-time enrollment status or planned enrollment status from FAFSA.		1184-1185	9 (2)	Enrl_credits_su2

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.

**MINNESOTA OFFICE OF HIGHER EDUCATION  
 DECENTRALIZED DELIVERY SYSTEM RECORD FORMAT  
 ACADEMIC YEAR 2015-2016 Version 2016.2 June 2015**

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DDS Element Name	Description	Federal ISIR Position	DDS Record Position	Size/Format	OHE Database
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1186-1190	9 (5)	Tuition_su2
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 2015-2016 aid year for research purposes. Any other institution that has the capability of reporting actual tuition and fees for 2015-2016 may also continue to do so.)		1191-1195	9 (5)	Fees_su2
MHESO-TF-CAP-SUM2	Determines which tuition and fee maximum is used to calculate the student's award for trailing summer term 2016. 2 = Student is in 2-year or less degree, certificate or diploma program 4 = Student is in 4-year degree program		1196	X (1)	Tui_fee_cap_su2
MHESO-STATE-AWARD-SUM2	Same as described under MHESO-STATE-AWARD-SUM1 only for summer term 2016 if it's the student's trailing term of the 2015-2016 aid year. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1197-1201	9 (5)	Award_offer_su2
MHESO-STATE-PAYMT-NET-SUM2	Same as described under MHESO-STATE-PAYMT-NET-SUM1 only for summer term 2016 if it's the student's trailing term of the 2015-2016 aid year. (Leave blank when OHE is calculating state need analysis and awards for school. OHE populates on return record.)		1202-1206	9 (5)	Award_paid_su2

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-DISB-DATE-SUM2	Same as described under MHESO-DISB-DATE-SUM1 only for summer term 2016 if it's the student's trailing term of the 2015-2016 aid year. (Leave blank when OHE is calculating state need analysis and awards for school.)		1207-1214	X (8)	Disb_date_su2
Filler	area ignored (OHE populates last 65 characters with 13 annual State Grant awards for enrollment Level 3 through Level 15, 5-digits each, position 1216-1280. Fields are only populated for schools submitting need analysis/award calculation batches to OHE.)		1215-1280	X (66)	
<b>Trailer Record Format</b>					
MHESO-TRAIL-CODE	School's 6 character institution identification code used for the Federal Pell Grant program		1-6	X (6)	
MHESO-TRAIL-SORT	Sort field - must contain value of 'Z'		7	X (1)	
MHESO-TRAIL-ACAD-YR	Constant '16' = 2015-2016 academic year		8-9	X (2)	
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)	

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-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)	
filler	area ignored		70	X (1)	
MHESO-TRAIL-INST-BALANCE	Balance of 2015-2016 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		100-1280	X (1181)	

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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## MN Office of Higher Education Refund Calculation Worksheet

### USE FOR FULL WITHDRAWAL (or drop below minimum enrollment level) AT SCHOOLS CHARGING BY TERM OR CLOCK HOUR PAYMENT PERIOD

This form is available in spreadsheet format at: <http://www.oh.edu.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for all state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students by the term or payment period. (Note: Refunds are never required for the State Work Study program.)

**Student Name:**  **SSN:**

**Did student totally withdraw from school? (enter Yes/No)**   
**Date of student withdrawal or change in enrollment level:**

#### PART I – DETERMINING AMOUNT OF NET REFUND

- A.** Amount of financial aid and cash received to date for the term or clock hour payment period, including any post-withdrawal disbursements of Title IV financial aid applied to institutional charges. Include cents. If funds exceed the original institutional charges\* for the term or clock hour payment period, enter the amount of original institutional charges only. To determine the amount of financial aid applied to the clock hour payment period, see corresponding [OHE Refund Calculation Spreadsheet](#). **A**
- B.** Subtract amount of original institutional charges for the term or clock hour payment period the school can retain per its institutional or state-mandated refund policy. **B**
- C. = GROSS REFUND**  
If gross refund is less than or equal to zero, then no refund is due state financial aid programs. **C**
- D.** Subtract amount of institutional share of any required refund for Title IV financial aid programs from Step 5 Box O) of Return of Title IV Funds Refund Worksheet. Enter 0 if no Title IV refund is due. **D**
- E. = NET REFUND**  
If net refund is less than or equal to zero, then no refund is due state financial aid programs. **E**

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

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**PART II – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received for the term or clock hour payment period. Include only programs requiring refunds when a student withdraws from school or drops below minimum enrollment level. For SELF Loans, use the total loan divided by the number of attendance periods in the loan period. Do NOT include work study awards. Clock hour schools should refer the example shown in the corresponding [OHE Refund Calculation Spreadsheet](#) to calculate an hourly rate for aid disbursed and apply those percentages to the net refund on Line E above.

Program Name	Amount Disbursed	%	% of Non-Title IV Aid Package <small>(For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665%=45.67%)</small>	Refund(s) to State Financial Aid Programs <small>(Multiply Part I, Line E by % of Non-Title IV Aid Package for each program and round to nearest dollar)</small>
1 State Grant	\$	%	%	\$
2 Postsecondary Child Care Grant	\$	%	%	\$
3 Safety Officer's Survivor Grant	\$	%	%	\$
4 SELF Loan	\$	%	%	\$
5 MN Indian Scholarship	\$	%	%	\$
6 MN GI Bill	\$	%	%	\$
7	\$	%	%	\$
8	\$	%	%	\$
9	\$	%	%	\$
<b>TOTAL</b>	<b>\$</b>	<b>%</b>	<b>100.0%</b>	<b>\$</b>

**WHERE TO RETURN REFUNDS:**

SELF Loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE 68501

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Refunds for MN Indian Scholarship as well as post-closure refunds for State Grant and Child Care Grant should be returned as individual refunds to OHE on the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>. Refunds for other state financial aid programs should also be sent directly to OHE on the Refund Return Form.

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**MN Office of Higher Education Refund Calculation Worksheet**  
**USE FOR FULL WITHDRAWAL (or drop below minimum enrollment level) AT**  
**SCHOOLS CHARGING UPFRONT FOR PROGRAM**

This form is available in spreadsheet format at: <http://www.oh.e.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for all state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students upfront for the entire program and whose refund policies are based on the percentage of the program completed. (Note: Refunds are never required for the State Work Study program.)

**Student Name:**  **SSN:**

**Did student totally withdraw from school? (enter Yes/No)**   
**Date of student withdrawal or change in enrollment level:**

**PART I – DETERMINING AMOUNT OF NET REFUND**

- A.** Amount of financial aid and cash received to date for the entire program, including any post-withdrawal disbursements of Title IV financial aid and funds disbursed to the student for living expenses. Exclude federal or state work study funds. If funds received to date for the program exceed the original institutional charges\* for the program, cap Line A at the amount of the original institutional charges for the program. Include cents. (See example in corresponding [OHE Refund Calculation Spreadsheet.](#)) **A**
- B.** Amount of original institutional charges for the program the school can retain per its institutional or state-mandated refund policy. - **B**
- C. A – B = GROSS REFUND**  
If gross refund is less than or equal to zero, then no refund is due state financial aid programs. = **C**
- D.** Amount of institutional share of any required refund for Title IV financial aid programs from Step 5 Box O) of Return of Title IV Funds Refund Worksheet. Enter 0 if no Title IV refund is due. - **D**
- E. C – D = NET REFUND**  
If net refund is less than or equal to zero, then no refund is due state financial aid programs. = **E**

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

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**PART II – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received to date during the student's program and for the current aid year including any funds disbursed to the student for living expenses. Include only programs requiring refunds when a student withdraws from school which can include institutional and private scholarships or other forms of non-Title IV aid. Do NOT include work study awards.

Program Name	Amount Disbursed to Date for Student's Entire Program	%	% of Non-Title IV Aid Package <small>For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665=45.67%)</small>	Refund(s) to State Financial Aid Programs <small>(Multiply Part I, Line E by % of Non-Title IV Aid Package for each program and round to nearest dollar.</small>	
1 State Grant	\$	%		\$	Note: If calculated refund amounts exceeds amount disbursed from that program during the current aid year, cap the refund and return only the amount disbursed during the current aid year.
2 Postsecondary Child Care Grant	\$	%		\$	
3 Safety Officer's Survivor Grant	\$	%		\$	
4 SELF Loan	\$	%		\$	
5 MN Indian Scholarship	\$	%		\$	
6 MN GI Bill	\$	%		\$	
7	\$	%		\$	
8	\$	%		\$	
9	\$	%		\$	
<b>TOTAL</b>	\$		<b>100.0%</b>	\$	

**WHERE TO RETURN REFUNDS:**

SELF Loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE 68501

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Refunds for MN Indian Scholarship as well as post-closure refunds for State Grant and Child Care Grant should be returned as individual refunds to OHE on the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>. Refunds for other state financial aid programs should also be sent directly to OHE on the Refund Return Form.

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## MN Office of Higher Education Refund Calculation Worksheet

**USE FOR PARTIAL WITHDRAWAL (MN State Grant, Postsecondary Child Care Grant, Safety Officer's Survivor Grant)**

This form is available in spreadsheet format at: <http://www.ohc.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for the MN State Grant, Postsecondary Child Care Grant and Safety Officer's Survivor Grant programs when the student changes enrollment level at a credit-hour institution that charges by the term but is still enrolled at or above the minimum enrollment level for each program.

**Student Name:**

**SSN:**

**Date of student's change in enrollment level:**

### PART I – DETERMINING AMOUNT OF NET REFUND

**A.** Amount of financial aid and cash received to date for the term, including any post-withdrawal disbursements of Title IV financial aid applied to institutional charges.\* Include cents. If funds received exceed the original institutional charges, enter the amount of original institutional charges only.

**A**

**B.** Amount of original institutional charges the school can retain per its institutional or State-mandated refund policy.\*

- **B**

**C. A – B = GROSS REFUND**

If gross refund is less than or equal to zero, then no refund is due state financial aid programs.

= **C**

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

### PART II – DIFFERENCE BETWEEN ORIGINAL AND REVISED STATE FINANCIAL AID AWARDS

	Credits	State Grant Award	Child Care Grant Award	Safety Officer's Survivor Award
<b>Original Enrollment Level:</b>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<b>Revised Enrollment Level</b>	<input type="text"/>	- \$ <input type="text"/>	- \$ <input type="text"/>	- \$ <input type="text"/>
<b>AWARD DIFFERENCE</b> (Original minus Revised)		= \$ <input type="text"/>	= \$ <input type="text"/>	= \$ <input type="text"/>

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**PART III – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received to date for the term. Include only programs requiring refunds when a student changes enrollment level but is still enrolled at or above the minimum enrollment for the program.

	Program Name	Amount Disbursed		% of Non-Title IV Aid Package <small>(For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665%=45.67%)</small>		Proportional Share of Refund*		Refund for Partial Withdrawal <small>(Lesser of program Award Difference in Part II or Proportional Share of Refund)</small>
1	State Grant*	\$		%		\$		\$
2	Postsecondary Child Care Grant*	\$		%		\$		\$
3	Safety Officer's Survivor Grant	\$		%		\$		\$
4		\$		%		\$		\$
5		\$		%		\$		\$
<b>TOTAL</b>		= \$		=	<b>100.0%</b>	\$		\$

**WHERE TO RETURN REFUNDS:**

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Post-closure refunds for these programs as well as refunds for the Safety Officer's Survivor Grant should always be sent directly to OHE using the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>.

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**SAMPLE GENERAL LEDGER  
FOR MINNESOTA STATE GRANT PROGRAM  
DECENTRALIZED DELIVERY SYSTEM SCHOOLS**

<u>Date</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
9/1/2013	From State Grant Program Fall Semester 2013 Advance		\$950,000	\$950,000
9/21/2013	Disbursed to Student Accounts (Invoice #395)	\$800,000		\$150,000
10/02/2013	Refunds from 9/21/2013 disbursements (Invoice #493)		\$100,000	\$250,000
11/30/2013	From State Grant Program for Spring Semester Advance		\$700,000	\$950,000
12/21/2013	Disbursed to Student Accounts (Invoice #654)	\$800,000		\$150,000
1/5/2014	Refunds from 12/21/2013		\$40,000	\$190,000
6/30/2014	Returned 2013-2014 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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<b>Sample Payment Periods at Progressive Clock Hour School 1100 Hour Academic Year – 2 Pay Periods</b>					
				<b>State Payment Periods</b>	
State Grant Enrollment Level	Hours Per Week	% State Budget	Hrs State Acad Yr	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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<b>Sample Payment Periods at Progressive Clock Hour School 1200 Hour Academic Year – 3 Pay Periods</b>						
				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 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%	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 Grant Enrollment Level	Hrs Per Week	% State Budget	Hrs State Acad Yr	State Payment Periods	
				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**

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<b>Program Origin</b>	One of four State Grant Decentralized Delivery System (DDS) Output Reports
<b>Distribution</b>	DDS School (1); Office of Higher Education (1).
<b>Frequency</b>	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.
<b>Purpose</b>	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.
<b>General Description</b>	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> .
<b>Data Description</b>	A description of the data appearing on this roster is provided below by column heading:
• <b>Name</b>	Student's reported name
• <b>Soc Sec</b>	Student's reported social security number
• <b>Date of Birth</b>	Student's reported date of birth
• <b>Total Paid</b>	Total rejected payments for student for all terms
• <b>Summer 1</b>	Student's rejected payment for leading summer term
• <b>Fall</b>	Student's rejected payment for fall term
• <b>Winter</b>	Student's rejected payment for winter term (quarter schools only)
• <b>Spring</b>	Student's rejected payment for spring term
• <b>Summer 2</b>	Student's rejected payment for trailing summer term 2
<b>Message</b>	A description of error messages and their corresponding 'Action Steps' is provided below.
<b>Date of Birth is Blank or Invalid</b>	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 six 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 eight 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 eight 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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**No ISIR Record on File**

Appears when the Agency does not have an ISIR record for the student for the current aid year and is, therefore, unable to verify whether the student met the State Grant application deadline. The school should make sure the student submits a FAFSA. If the student has submitted a FAFSA, the school should contact the Agency's State Grant unit for assistance.

**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						Summer I 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			Summer I 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			Summer I 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
SMITH / ROBERT	444-55-6666	7/23/1987	0						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
<b>TOTAL</b>			<b>\$634.00</b>	<b>\$634.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	



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**Report Name**                      **Award Error Detail Roster**

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- 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. If there is a valid reason the award appears too low (e.g., proration of award at clock hour school), no action is required by the school.

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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	Summer 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	Summer 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	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	Summer 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	24948		
		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**

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<b>Program Origin</b>	One of four State Grant Decentralized Delivery System (DDS) Output Reports.
<b>Distribution</b>	DDS School (1); Office of Higher Education (1).
<b>Frequency</b>	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.
<b>Purpose</b>	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 <i>Roster of Rejected Awards/Payments</i> , if one term's payment is rejected and another's is accepted. The total of accepted 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.
<b>General Description</b>	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.
<b>Data Description</b>	A description of the data appearing on this roster is provided below by column heading:
• <b>Name</b>	Student's reported name.
• <b>Soc Sec</b>	Student's reported social security number.
• <b>Total Paid</b>	Student's total accepted payments for all terms.
• <b>Summer 1</b>	Student's accepted payment for leading summer term.
• <b>Fall</b>	Student's accepted payment for fall term.
• <b>Winter</b>	Student's accepted payment for winter term (used only for quarter system).
• <b>Spring</b>	Student's accepted payment for spring term.
• <b>Summer 2</b>	Student's accepted payment for trailing summer term.

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Roster of Accepted Payments • 07/30/2007  
**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	
<b>TOTAL</b>		<b>\$77,801.00</b>	<b>\$77,801.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

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**Report Name** **Reconciliation Report**

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<b>Program Origin</b>	One of four State Grant Decentralized Delivery System (DDS) Output Reports
<b>Distribution</b>	DDS School (1); Office of Higher Education (1).
<b>Frequency</b>	The <i>Reconciliation Report</i> is generated each time the Office of Higher Education processes a DDS submitted by the institution.
<b>Purpose</b>	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.
<b>General Description</b>	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> .
<b>Data Description</b>	A description of the data appearing on this roster is provided below by column heading:
• <b>School</b>	Name of school submitting DDS batch
• <b>School Code</b>	School's 6-digit school code used for federal financial aid programs
• <b>Label ID</b>	10-character optional identifier supplied by school submitting DDS batch
• <b>Cutoff Date</b>	School's cutoff date for data supplied in DDS batch
• <b>Date Received</b>	Date DDS batch received by the Agency
• <b>Date Processed</b>	Date DDS batch processed by the Agency
• <b>Number of Records</b>	Number of student records in DDS batch as counted by the Agency (OHE column) and school (School column)
• <b>Amount Net Payments</b>	Total amount of payments in DDS batch as calculated by the Agency (OHE column) and school (School column)
• <b>Total Advances</b>	Total funds advanced to school by the Agency to date, with detail of individual advances appearing below total
• <b>Total Payments Accepted</b>	Total payments accepted in current batch from the <i>Roster of Accepted Payments</i>
• <b>Balance on Hand</b>	Total funds advanced to school by the Agency minus total of accepted payments. May be a negative figure if school is seeking reimbursement.

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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. May be a negative figure if school is seeking reimbursement.

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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

<b>Trailer Reconciliation</b>		<b>OHE</b>	<b>School</b>
Number of Records		391	391
Amount Net Payments		\$78,435.00	\$78,435.00
<b>Outstanding Balance Summary</b>		<b>OHE</b>	<b>School</b>
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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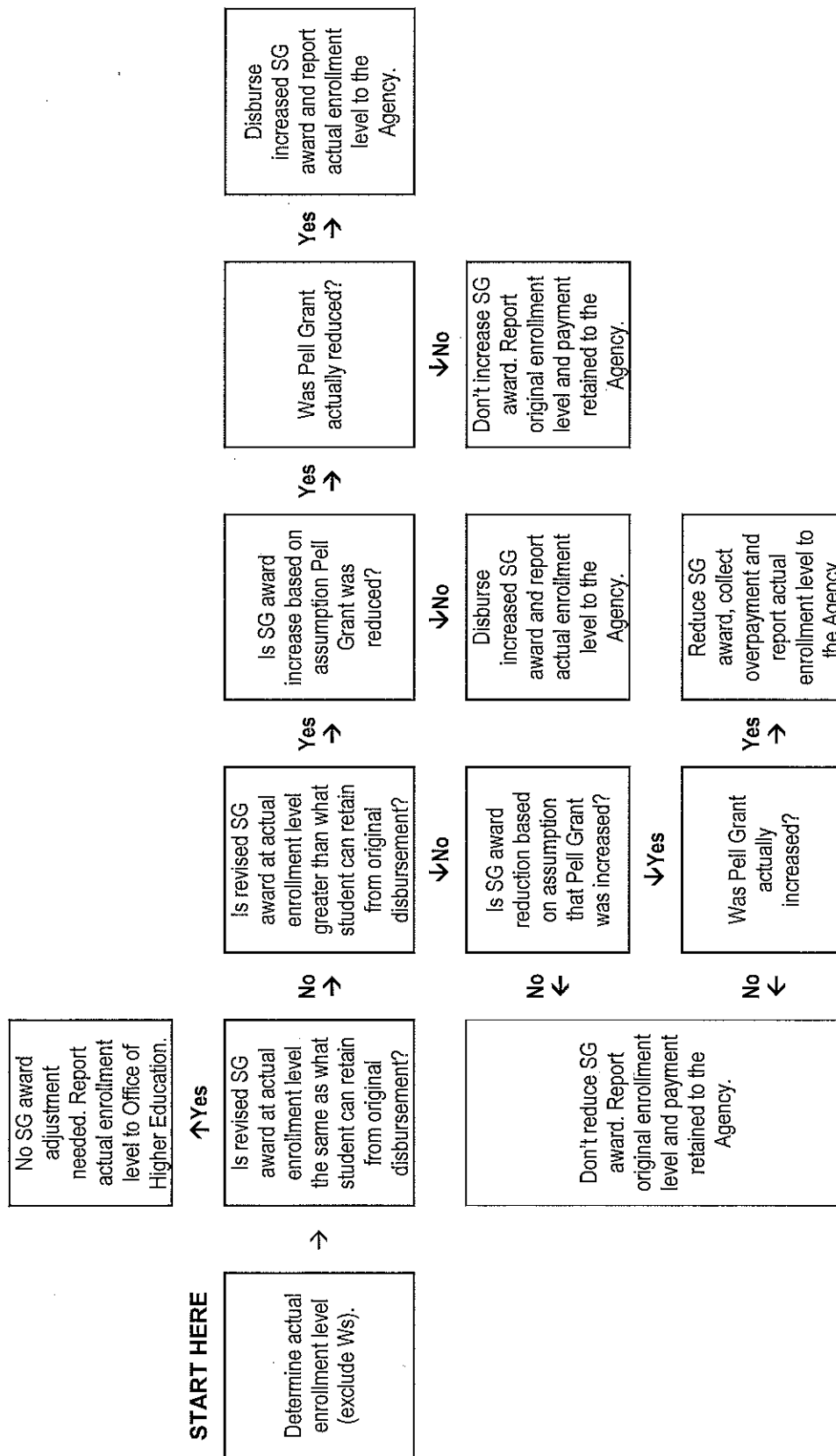
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## Logic for State Grant Adjustment After Initial Disbursement (when enrollment change occurs before school's award adjustment end date)



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## Examples of State Grant Award Adjustments After Initial Disbursement (when enrollment change occurs after student begins attendance but before school's award adjustment end date)

Credit at Initial Payment	Credits Later Withdrawn (B)	State Grant Award Difference Fully Refunded for W Credits?*	Credits Later Added (+)	Actual Enrollment Level (E)	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 on school's award adjustment end date	Base on enrollment level at time of disbursement. Exclude dropped or withdrawn credits.	Base on enrollment level at time of disbursement. Exclude dropped or withdrawn credits.
Award first paid after school's award adjustment end date	Base on enrollment level at time of disbursement. Exclude W credits.	Base on enrollment level at time of disbursement. Exclude W credits.
Award first paid after end of term	Base on enrollment level at end of term. Exclude W, FN or FW credits or their equivalent. 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).	Base on enrollment level at end of term. W credits excluded. Verify attendance if student receives all non-passing grades. Subject to refund for total withdrawal if school cannot document attendance in at least one class covering the entire length of the term.
Student withdraws from course after initial State Grant disbursement but is still enrolled	Award recalculation required if student never attended class. Otherwise, partial withdrawal refund calculation required if award at new enrollment level is less, student withdrew from course before school's award adjustment end date and there is a refund of institutional charges. 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) and enrollment level changed before school's award adjustment end date or if award increase is based on change in parent contribution or EFC.	In general, no award recalculation takes place after school's Pell Grant award adjustment end date unless student never attended class. Refunds not required for partial withdrawals.

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Scenario	Current SG Policy	Pell Grant Policy
Student adds credits after initial State Grant disbursement	If enrollment change occurs before school's award adjustment end date, disburse additional funds if award at new enrollment level is higher. School may also have policy to add credits that were not originally included due to school error or interim term credits assigned to fall term. 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 place after school's award adjustment end date.
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 if there is a refund of institutional charges (based on each school's institutional refund policy—certain proprietary schools subject to prorata policy in MS 141).	Subject to refund calculation for total withdrawal (based on percentage earned for period of enrollment under R2T4 policy).
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 school's Pell Grant award adjustment end date.

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## MN Office of Higher Education Refund Return Form

For Returning End of Year Balances or Post-Closure Refunds

### Returning End of Year Balance

(for use with State Grant, State Work Study, Postsecondary Child Care Grant and MN GI Bill programs)

Program Name	Aid Year	Amount of Refund
		\$
		\$
		\$
		\$
		\$

### Returning Individual Student Refund(s)\*

(for use with Indian Scholarship, State Grant, State Work Study, Postsecondary Child Care Grant and MN GI Bill programs)

Student's Name	SSN	Program	Amount	Term	Aid Year	Reason *	If Reason is PW or CH, please indicate enrollment level at: Time of Disbursement/ Current. If OT, provide explanation.
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				

**Reason Codes:**  
 NE = not enrolled for term/withdrawal before disbursement  
 WI = total withdrawal from school after disbursement  
 PW = withdrew from class but still enrolled  
 CH = changed enrollment level, refunding full difference in awards  
 OT = other (provide explanation above)

Return refund with form to:  
**Minnesota Office of Higher Education**  
**Administrative Services Division**  
**PO Box 64449**  
**St. Paul, MN 55164-0449**

<b>Person Returning Funds:</b>	<b>Phone Number:</b>	<b>Date Completed:</b>
<b>Name of College:</b>	<b>School Code:</b>	

\*Schools should only return individual student refunds for State Grant, State Work Study, Postsecondary Child Care Grant and MN GI Bill programs if they occur after the school has closed out program activity for the aid year.



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[PLACE SCHOOL'S LOGO OR LETTERHEAD HERE]

**Student Disclosure Statement Required for Schools Not Participating  
in the Federal Pell Grant Program  
2015-2016 Academic Year**

As a postsecondary educational institution that is not participating in the Federal Pell Grant program, we are required by Minnesota Statutes 136A.103 to inform you that, by choosing to attend this institution, you will not be eligible to receive a Federal Pell Grant.

For the 2015-2016 academic year (July 1, 2015 to June 30, 2016), Federal Pell Grants range from \$588 to \$5,775 per year and are available to students who:

1. have an expected family contribution (EFC) less than \$5,199
2. are U.S. citizens or eligible non-citizens,
3. are enrolled in an eligible undergraduate program at a participating postsecondary institution,
4. are making satisfactory academic progress,
5. are not in default status on a federal student loan, and
6. have not have been convicted of the sale of illegal drugs while receiving federal financial aid.

By signing below, I am confirming that I have read the above disclosure statement and understand that I will not be receiving a Pell Grant at this institution.

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date Signed





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## State Grant On-Line Student Eligibility Questionnaire Report

### Report Name

### Report Origin

Records are created when students access the State Grant On-Line Student Eligibility Questionnaire via the student's original FAFSA on the Web confirmation page state link or, for those who missed the state link, through a follow-up email from OHE containing a student-specific link to the state questionnaire site. Once a student has a successfully completed on-line state questionnaire on file, the student can no longer access the state on-line questionnaire. Participating campuses create reports by logging into the SG Web Access screen and choosing the 'State Grant On-Line Student Eligibility Questionnaire Report' option.

### Distribution

Each school's on-line state questionnaire report is limited to financial aid administrators at that campus, as well as OHE grant unit staff.

### Frequency

The State Grant On-Line Student Eligibility Questionnaire database is updated in real-time as students access the system and complete questionnaires. Reports of student on-line questionnaire records may be created at any time by financial aid administrators at participating campuses and will reflect real-time student data.

### Purpose

The State Grant On-Line Student Eligibility Questionnaire system was created to capture information from Minnesota FAFSA applicants about state residency and amount of postsecondary attendance after high school. The information collected is stored and made available to participating campus financial aid administrators when they create a report from the system for their campus. The information on the report, as well as other documentation collected on the FAFSA or by financial aid administrators, will be used to determine if applicants meet program eligibility requirements for the Minnesota State Grant program, as well as other state financial aid programs requiring Minnesota residency or a limit on postsecondary attendance.

### General Description

The report created by the financial aid administrator will display the student's responses to the questions on the on-line state questionnaire, as well as relevant data from the student's most current Institutional Student Information Record (ISIR) for the aid year. There may be multiple on-line state questionnaire transactions for students who logged into the questionnaire on multiple occasions but did not complete the questionnaire until the most recent transaction. There may also be multiple transactions when a previously completed on-line state questionnaire was subsequently invalidated by a newer ISIR transaction (see description of this under 'Guidance' section below).

When students reach the on-line state questionnaire page, **screen-out logic** is used to bypass the entire on-line state questionnaire if the student's FAFSA data indicates the student will not meet program eligibility requirements:

- The student will be 20 years old as of the start of the aid year (July 1) and the student either answered: 'yes' to having a bachelor's degree; 'yes' to being a graduate/professional student; or that s/he was pursuing a graduate/professional degree (ISIR credential value of '8'); OR
- The student had a value of '3' (neither U.S. citizen or eligible non-citizen) for the citizenship question; OR
- The student's ISIR did not contain at least one college code for a MN college participating in the State Grant On-Line Student Eligibility Questionnaire system; OR

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- The student has already successfully completed the on-line questionnaire and there are no new participating MN college codes on the ISIR.

For students who are not immediately screened out and do access the on-line state questionnaire, skip logic is used to bypass the screen containing state residency questions if the student's state residency status can be easily determined by data supplied on the ISIR. In both of the cases below, the 'State Residency Status' field on the student's on-line state questionnaire record is set to 'Confirmed':

- A student whose FAFSA high school state = 'MN' and who indicated MN was the state of residence at the time of high school graduation on the on-line state questionnaire screen; OR
- A dependent student whose parents' state of legal residence on the FAFSA = 'MN'.

A description of the data appearing on each student's on-line state questionnaire record is described in the annotated version of the MN State Grant Student Eligibility Questionnaire Record at the end of this document.

## Guidance

In many cases, financial aid administrators are not required to collect additional documentation beyond what appears on the student's on-line state questionnaire record to determine a student's Minnesota residency status and/or amount of previous postsecondary attendance *unless there is conflicting information in the student's file.*

The following are examples of cases where no additional documentation would be required.

If the 'State Residency Status' field is set to 'Confirmed,' the student would be considered a Minnesota resident absent conflicting information.

If the 'Student Successfully Completed State Grant Questionnaire' field is set to 'Y,' and:

- the 'State Residency Status' field is set to 'Unconfirmed,' the school must review all of the information provided under 'State Residency Questions' on the student's on-line eligibility questionnaire to determine if the student meets the state residency requirement. It is only if the school is unable to make a determination based on the student's on-line questionnaire responses that the school would need to collect additional documentation from the student.
- the 'Indicated No Attendance Beyond High School,' field is 'Y,' and the 'Transcripts Required' field is set to 'N,' the school is not required to request academic transcripts from the student absent conflicting information.
- the 'Indicated No Attendance Beyond High School,' field is set to 'N,' and postsecondary attendance is listed but the 'Transcripts Required' field is set to 'N,' the school is not required to request academic transcripts from the student absent conflicting information.

In some cases, the school will need to collect additional documentation beyond what is collected on the on-line state questionnaire. The following are examples of when the school would either need to collect additional information or watch for another on-line state questionnaire record.

- The 'Student Successfully Completed State Grant Questionnaire' field is set to 'N' for No, which means the school can either give the student the link to the on-line state questionnaire so the student can complete an on-line questionnaire or collect information directly from the student using the paper state questionnaire

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or similar form developed by the school. Directing the student to the on-line state questionnaire link will only work if the student does not meet the screen out logic used by the on-line state questionnaire.

- The ‘Student Successfully Completed State Grant Questionnaire’ field is set to ‘I’ for Invalidated and the ‘State Residency Status’ field is set to ‘Reversed.’ This occurs when the residency fields on the previous ISIR transaction confirmed state residency without the student having to complete the full residency section of the previous on-line state questionnaire transaction, but the residency fields on the newest ISIR transaction do not confirm state residency. OHE will email the student a link to the on-line state questionnaire and once accessed, it will require the student to complete the full residency section on the questionnaire, generating another questionnaire record.
- The student lists 810 or more days of postsecondary attendance and the ‘Transcripts Required?’ flag is set to ‘Y,’ unless the 810 or more days includes future attendance listed by the student or the school has documentation proving the student did not attend 810 or more days of postsecondary education.

NOTE: For example, if the student listed a period of enrollment at the current institution as 08/15/2007 to 06/15/2009 (670 days), and a previous institution as 08/15/2006 to 01/15/2007 (153 days), for a total of 823 days, but the school knows the student didn’t attend summer term 2008 (90 days) at the current institution, the school would not be required to collect transcripts from the previous school, since the total days would equal 733.

- If the student indicates on the on-line state questionnaire that s/he is receiving tuition reciprocity benefits from a neighboring state, and the student is attending a Minnesota public postsecondary school, the school should follow-up to make sure the student is not receiving both state financial aid and tuition reciprocity benefits from another state. The student may turn down reciprocity benefits in order to qualify for state financial aid, assuming the student meets the state residency requirement.
- If the student’s response to ‘If you currently reside in another state/country, are you physically attending a Minnesota college?’ is ‘Y’ or ‘N’ rather than ‘N/A,’ the school should make sure the student is physically attending at least one class if the only way the student can meet the state residency requirement is by having graduated from a MN high school and the student currently resides in another state.
- If the student lists postsecondary attendance and indicates s/he withdrew for a major medical illness or active military duty, the school should request supporting documentation from the student and not count that term’s attempted credits towards the limit on postsecondary attendance.



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### Annotated MN State Grant Student Eligibility Questionnaire Record

Aid Year: **2016** [last calendar year in aid year]

Date Generated: **01/18/2015 03:46PM** Source: FOTW (FAFSA interface), OHE email response (student used unique link in OHE follow-up email), OHE log-in (student logged in), OHE automated record (previous record copied for new school) Dep Status: I/Y=independent, D/X=dependent

Student: **LAST NAME, FIRST NAME** DOB: **MM/DD/CCYY** SSN: **XXX-XX-XXXX**

Insts: **002354, 002342, 002334** [school codes from current FAFSA/ISIR]

#### Screen-Out Variables

Graduate or Professional Student? **2** [1=Yes, 2=No—from current FAFSA/ISIR]

U.S. Citizen/Eligible Non-Citizen? **1** [1=citizen, 2=eligible non-citizen, 3=neither—from current FAFSA/ISIR]

Bachelor's Degree? **2** [1=Yes, 2=No - from current FAFSA/ISIR]

Degree/Credential Code: **5** [1=first bach, 2=2<sup>nd</sup> bach, 3-6 associate or certificate, 7=teach cred, 8=grad/prof, 9=undecided—from current FAFSA/ISIR]

Prior Year Questionnaire? **N** Prior Year(s) Found: **n/a** [from OHE search of database]

Student Successfully Completed State Grant Questionnaire? **Y** [determined by OHE]

Sent SELF Loan information? **N** [based on student's response on questionnaire]

State Residency Status: **Unconfirmed** [Confirmed=Student graduated from MN high school while residing in MN OR dependent student's parents' state of residence=MN on FAFSA]

#### State Residency Questions

Student's State of Legal Residence on FAFSA: **MN** [from current FAFSA/ISIR]

Parents' State of Legal Residence on FAFSA: [from dependent student's current FAFSA/ISIR]

State in Which Student's High School Located: **ND** [from current FAFSA/ISIR]

Student's State at Time of HS Graduation: [from OHE questionnaire if student graduated from MN high school]

Year of High School Graduation: **1980** [from OHE questionnaire only if student not MN high school graduate]

Year of GED: **1980** State of GED: [from OHE questionnaire only if student not MN high school graduate]

State/Country [from OHE questionnaire]	From	To	Reason
MINNESOTA	06/2010	01/2015	Other
NORTH DAKOTA	06/2008	06/2010	Employment
TEXAS	06/1985	06/2008	Military Service
GERMANY	05/1983	05/1985	Military Service
NORTH DAKOTA	05/1974	03/1983	Orig Place of Res

Tuition reciprocity benefits from another state? **N** [Y or N response from OHE questionnaire]

If you currently reside in another state/country, are you physically attending a Minnesota college? **N/A** [Y, N or N/A response from OHE questionnaire]

#### Previous Postsecondary Attendance

College [from OHE questionnaire]	From	To	Enrollment Level
NORTH DAKOTA STATE UNIV	07/1980	05/1982	Full
NORTH HENNEPIN COMMUNITY	08/2012	05/2013	Full-time

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[CON'T]

Transcripts Required? **Y** [Default of N=No; Set to Y=Yes by OHE if student total days > 809]

Indicated no attendance beyond high school: **N** [Y=Yes – student indicated no postsecondary attendance, N=No]

Withdrew for major medical illness while under care of professional: **N** [Y or N response from OHE questionnaire]

Withdrew for active duty military service after 12/31/2002: **N** [Y or N response from OHE questionnaire]

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**Voluntary Waiver of  
Minnesota State Grant and Postsecondary Child Care Grant  
for Academic Year: \_\_\_\_\_**

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Student I.D. #

Please indicate why you are voluntarily waiving your right to the Minnesota State Grant and Postsecondary Child Care Grant:

I am currently unable to provide my academic transcript(s), but plan do so in the future

**NOTE:** It is your responsibility to notify the financial aid office to review the transcript when it is provided. Disbursement will be based on your eligibility at the time of disbursement.

I am unable to provide my academic transcript(s) this academic year

**NOTE:** The Family Educational Rights and Privacy Act (FERPA) requires colleges to allow you access to your academic records even if there is a hold on your official records. This means you can physically inspect and copy your unofficial records, such as transcripts. If it is impossible for you to physically inspect the records, colleges must send copies of the requested records to you and may charge you for doing so. You can then submit the unofficial records to your current college which will review them to determine your eligibility for Minnesota State Grant and/or Postsecondary Child Care Grant. However, unofficial transcripts/records cannot be used to transfer in course work to your current college.

**NOTE:** If your previous college has closed, your transcripts may be held by another college or organization. This web site provides information about private colleges that closed in Minnesota:  
<http://www.ohe.state.mn.us/sPages/closedSchoolContact.cfm>

Other: \_\_\_\_\_

By signing this waiver, I certify that I am voluntarily relinquishing any and all rights to the 2014-2015 Minnesota State Grant and/or Postsecondary Child Care Grant. I also understand that relinquishing my rights to the Minnesota State Grant may negatively affect other state financial aid programs that are dependent upon my eligibility for Minnesota State Grant, such as the Minnesota Indian Scholarship and MN GI Bill programs. I also certify that a member of the financial aid staff has informed me of all of my options, given me the opportunity to ask questions and answered all my questions to my satisfaction.

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Campus Financial Aid Administrator

\_\_\_\_\_  
Date





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**DEPARTMENT OF THE ARMY  
UNIT LETTERHEAD**



[Note: This is an example of acceptable documentation of active membership in the National Guard. The letter can also be modified to serve as documentation of membership in the Reserves, in which case, the Commanding Officer must also verify the member is stationed in Minnesota.]

OFFICE SYMBOL

DATE

MEMORANDUM FOR RECORD

SUBJECT: Verification of Minnesota National Guard Status

1. This memorandum is to verify that SOLDIER NAME/RANK (XXX-XX-1234) is an active member of the Minnesota National Guard.
2. SOLDIER NAME/RANK has been a member of the Minnesota National Guard from DATE-PRESENT.
3. Due to SOLDIER NAME/RANK's status in the Minnesota National Guard, he/she and his/her spouse and/or dependents are eligible for state financial aid, provided he/she meets the program-specific eligibility requirements, such as residing in Minnesota.
4. POC for this memorandum is the unit full-time Readiness NCO, RNCO NAME/RANK at PHONE NUMBER or EMAIL ADDRESS.

COMMANDER'S  
SIGNATURE BLOCK





**State  
Work  
Study  
Program**

**2015-2016**



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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, disabled 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, disabled 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 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 the first working day after August 9, the Agency will disburse 35 percent of the school's current year

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adjusted allocation amount 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.

Though the State Work Study program is modeled after the Federal Work Study program, the programs are not identical. 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 disabled 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 disabled 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 at least 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.

Interim term credits should be allocated to adjoining terms in the same manner described under ‘Use of Interim Credits’ in the ‘State Grant’ chapter of this manual.

Students may be employed in State Work Study positions during one term of non-enrollment or less than half-time enrollment per aid year provided they meet the conditions specified in the ‘Work Performed During Term 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.

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The school may have a policy allowing repeated classes to 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.

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. Minnesota Resident**

To be eligible for State Work Study funds, a student must be lawfully present prior to meeting "resident student" status as defined in the 'Common Definitions' chapter of this manual and have an authorized work permit.

**d. 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.

**e. 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 and W-4 Forms**

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 and W-4 forms before they are allowed to work.

#### **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 are 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 State Work Study student or replace a permanent employee who is on layoff from the same or substantially same job by hiring a State 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 state minimum wage was increased for large employers effective August 1, 2015 to \$9.00 per hour. For small employers (enterprises with less than \$500,000 of annual volume), it is \$7.25 per hour. Effective August 1, 2016, large employers \$9.50, small employers \$7.75. The federal minimum wage is \$7.25 per hour.

Colleges are considered employers that are subject to both federal and state minimum wage requirements. With respect to both Federal and State Work Study employees, the college must pay the employee the higher of the federal or state minimum wage, just as it would any other employee.

Keep in mind that the minimum wage is just that, the lowest wage you can legally pay an employee. It does not mean that employers cannot pay a higher wage. For example, a college does not have to pay a 17-year old work study student less than an 18-year old work study student after August 1, 2014. In fact, most if not all colleges choose not to make this type of distinction.

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The following definitions apply:

- Large Employer – an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 and covered by the Minnesota Fair Labor Standards Act.
- Small Employer – an enterprise whose annual gross volume of sales made or business done is less than \$500,000 and covered by the Minnesota Fair Labor Standards Act.

Type of Employer	Minimum Wage as of August 1, 2015	Minimum Wage as of August 1, 2016
<b>Large Employer</b> (general employees)	State-\$9.00 per hour Federal-\$7.25 per hour	State-\$9.50 per hour Federal-\$7.25 per hour
<b>Small Employer</b> (general employees)	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
<b>Large Employer</b> (employees under the age of 18)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
<b>Large and Small Employers</b> (first 90 consecutive days of employment training wage for those 18 or 19 years of age)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour
<b>Large and Small Employers</b> (employees working as an Exchange Visitor (J) nonimmigrant visa holder)*	State-\$7.25 per hour Federal-\$7.25 per hour	State-\$7.75 per hour Federal-\$7.25 per hour

\*For these special cases, the law states that “no employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages or employment benefits, in order to hire an employee at the wage authorized in this paragraph.”

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 internships within the for-profit sector. The state share of the State Work Study award

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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 may be paid overtime with State Work Study funds. 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 (excluding federal veterans' benefits) 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 term of non-enrollment. (See 'Work Performed During Term of Non-Enrollment.')

The following is an example of a State Work Study award using the need-based packaging model.

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<p>Cost of Attendance</p> <ul style="list-style-type: none"> <li>- Federal EFC</li> <li>- Grants, Scholarships, Need-Based Loans</li> <li>- Portion of NonNeed-Based Loans Exceeding EFC</li> <li>- Other Resources as Defined in Title IV Guidelines (excludes federal veterans' benefits)</li> <li>- <u>Earnings from Term of Non-Enrollment (minus allowable work-related expenses)</u></li> </ul> <p>= Maximum State Work Study Award for Aid Year</p>
--

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 Term of Non-Enrollment or Less Than Half-Time Enrollment**

A student may work during a term 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. However, students are not allowed to earn State Work Study funds during a leave of absence. The financial aid administrator is expected to take earnings during a term of non-enrollment into consideration when determining State Work Study eligibility for subsequent award periods. However, the financial aid

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administrator may subtract allowable work related expenses as outlined for the Federal 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 term 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 term 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 disbursements to a student's account and determines that the amount of those disbursements 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.

This also applies to cases where the school posts State Work Study disbursements to the student's account prior to receipt of State Work Study funds from the Agency.

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 an institution attempts to disburse a State Work Study payroll check or EFT transaction to the student, and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student. If the payroll check or EFT transaction is not claimed by the student within one year of the date it was issued, it can be presumed to be abandoned and must be reported and turned over as abandoned property in compliance with Minnesota Statutes 345.39 Subd. 3 and 345.41. (The institution should become familiar with abandoned property reporting requirements described in Minnesota Statutes 345.41 which require an additional attempt to locate the owner if the property has a value of \$100 or more.) If the student cannot be located and the student's State Work Study payroll check or EFT transaction is reported and turned over to the Minnesota Department of Commerce as abandoned property, the funds will remain in the state's general fund if they are not claimed by the student.

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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 (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. Affordable Care Act**

The Affordable Care Act (ACA), signed into law by President Obama March 23, 2010, aims to reduce health care costs while decreasing the number of Americans who are

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without coverage. Effective January 1, 2014, the provision stipulates that employers with more than 50 workers, who do not offer health insurance to their full-time employees, will be subject to a penalty of \$2,000 per employee.

According to the ACA guidelines, a full-time employee is defined as someone who works at least 30 hours per week. However, employers have the option “to analyze hours of service in a past ‘measurement’ period of three to 12 months to establish the full-time status of employees for a prospective ‘stability period.’” Schools have flexibility in choosing the period of time they will use in order to calculate their students’ average hours worked.

If a college decides to use a 12-month period, they would only need to provide health insurance to a student who averages 30 or more hours per week over the course of the entire year. For example, if a school uses a 12-month measurement period and hires a student to work 40 hours a week for only 16 weeks, that student would not fall under ACA requirements because 16 weeks multiplied by 40 hours divided by 52 weeks ( $16 \times 40 / 52 = 12$ ) comes out to only 12 hours, on average, over the course of the year.

This provision will not impact the vast majority of State Work Study students—although the implications may be far reaching for students employed as resident assistants, who participate in graduate assistantships, or participate in other types of employment through the university, or a combination of employment that would yield over 30 hours per week.

Graduate research assistants are often “simultaneously performing research under the grants or contracts and fulfilling the requirements of an advanced degree.” This can make it difficult to track how many hours a student has worked, thereby making it hard to tell whether a school should be providing health insurance. Residence assistants are in a similar situation, as typically their presence in the residence hall and availability to students—not their number of hours worked—is used to measure whether or not they are fulfilling their duties.

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## **6. 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.

## **7. Work Prohibited During Leave of Absence**

Because schools cannot disburse state financial aid during a leave of absence, a student cannot earn State Work Study funds during a leave of absence.

## **8. 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 institution must have signed 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 complete the Institutional Request for Participation form (see Appendix 1 of this chapter) on an annual basis.

In March, the list of participating schools for the coming academic year will be finalized. Each campus's estimated 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

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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.

<b>Allocation Formula</b>
a. $\frac{\text{School MN Resident FYE}}{\text{Total MN Resident FYE for all participating schools}} = \text{School's \% of Total MN Resident FYE}$ (FYE = Full Year Equivalent)
b. $\text{School's FYE \%} \times \text{Total Work Study FY Appropriation} = \text{School's Possible Allocation}$
c. $\frac{\text{Prior Year Total Expenditures}}{\text{Prior Year Total Funds Available}} = \text{Utilization Rate \%}$
d. $\text{School's Possible Allocation (result in item b)} \times \text{Utilization Rate (result in item c)} = \text{Schools Adjusted Allocation/Initial Allocation. (If the school's estimate is less than this amount, the school receives its estimated amount.)}$



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<b>Utilization Rate</b>	
	<p style="text-align: center;"><u>Total State Work Study Expenditures for Student Awards Current Fiscal Year</u></p> <p>= <b>Total Expenditures</b></p> <p style="padding-left: 20px;">Current Year Initial Allocation (funds disbursed in July, September and December)</p> <p>+ Current Year Reallocated Funds</p> <p>+ Funds Carried Forward from Previous Fiscal Year</p> <p>+ Funds Carried Back from Next Fiscal Year*</p> <p>- Funds Carried Forward to Next Fiscal Year</p> <p>- Funds Carried Back to Previous Fiscal Year*</p> <p>- <u>Refunds Returned to the Agency Before March 1</u></p> <p><b>Total Funds Available</b></p> <p><u><b>Total Expenditures</b></u> = <b>Utilization Rate</b></p> <p><b>Total Funds Available</b></p> <p>*In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.</p>

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 no later than the first working day after August 9.

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**2. Use of 30 Percent of Allocation for Internships in For-Profit Sector**

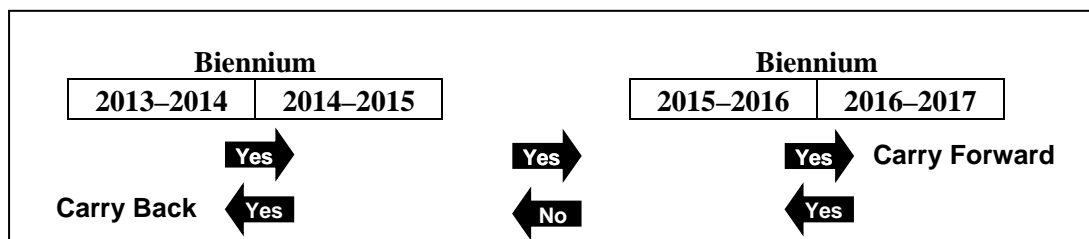
A school may use up to 30 percent of its initial State Work Study allocation for student internships with eligible, for-profit employers as defined under the ‘Employers’ section of this chapter.

**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). As shown in the chart below, 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.’)



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## **5. Administrative Expense Allowance**

There is currently no administrative expense allowance for the State Work Study program that allows institutions to 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 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. If it is necessary to reclassify one or more student's earnings between federal and state sources, the school must be sure that it properly records the earnings on the state's year-end report and on its FISAP.

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.

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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.

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.

- Institutional Request for Participation and FYE Reporting form (Appendix 1) reported online,
- Reallocation/Refund Requests (Appendix 3) reported online,
- Final Report (Appendix 2) reported online,
- Student Data Sheets (Appendix 2a) reported online,
- Monthly Spending (reported on-line), and
- other supporting documentation upon request from the Agency.

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## 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.

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;

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- that the student is an eligible resident of Minnesota as defined under the ‘Common Definitions’ chapter of this manual;
- that the student has DACA status prior to meeting resident student definition and has a work permit; 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
- 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.

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## **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;
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;
13. written documentation of attempts by the institution to locate off-campus employers; and
14. copy of Part VI of the FISAP and supporting documentation to create the grid.





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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 in 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 office 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 office 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 office.
- (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. 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; 2007 c 144 art 2 s 30





**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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## 2015-2016 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 2015-2016 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 2015-2016 academic year.

**Optional:** Please indicate why you *do not* wish to participate:

**\$**  **Estimate** of 2015-2016 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 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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2014-2015 MN State Work Study Program End of Year Report

<i>Institution Name</i>	<i>Fice Code</i>
<b>2014-2015 Initial Allocation</b>	
15% July 2014	\$0.00
35% September 2014	\$0.00
50% December 2014	\$0.00
<b>SUBTOTAL - INITIAL ALLOCATION</b>	<b>\$0.00</b>
<b>2014-2015 Reallocations</b>	
November 2014 Reallocation	\$0.00
January 2015 Reallocation (no funds available)	\$0.00
March 2015 Reallocation	\$0.00
May/June 2015 Reallocation	\$0.00
<b>SUBTOTAL - REALLOCATIONS</b>	<b>\$0.00</b>
<b>2014-2015 Refunds</b>	
July 2014 thru December 2014	\$0.00
January 2015 thru February 2015	\$0.00
March 2015 thru June 2015 (late refunds)	\$0.00
<b>SUBTOTAL - REFUNDS</b>	<b>\$0.00</b>
<b>NET TOTAL OF CURRENT 2014-2015 FUNDS</b>	<b>\$0.00</b>
Minus 2014-2015 funds carried back to 2013-2014	\$0.00
Plus 2013-2014 funds carried forward to 2014-2015	\$0.00
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$0.00</b>
<b>ON-CAMPUS EMPLOYMENT - GENERAL (position type 1)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>OFF-CAMPUS EMPLOYMENT - GENERAL (position type 2)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>ON-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 3)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>OFF-CAMPUS EMPLOYMENT - HANDICAPPED OR SENIOR CITIZEN (position type 4)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00

You are allowed to carry forward 10% of your initial allocation.

Any refunds received by OHE after March 1<sup>st</sup> will have an adverse effect on next year's allocation amount.

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<b>FOR-PROFIT INTERNSHIP (position type 5)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>NON-PROFIT INTERNSHIP (position type 6)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>K-12 TUTORING (position type 7)</b>	
# of unduplicated students	0
Total dollars earned	\$0.00
School share (at least 25% of total dollars earned)	\$0.00
State share (no more than 75% of total dollars earned)	\$0.00
<b>TOTAL # OF STUDENTS</b>	<b>0</b>
<b>TOTAL EARNINGS</b>	<b>\$0.00</b>
<b>TOTAL STATE FUNDS EXPENDED</b>	<b>\$0.00</b>
<b>Shortage of Funds. Apply carry-back from 2015-2016 to 2014-2015 (limited to 10% of initial allocation)</b>	
Maximum funds that could be carried back	\$0.00
Shortage of Funds for 2014-2015	\$0.00
<b>CARRY-BACK FUNDS USED TO COVER SHORTAGE</b>	<b>\$0.00</b>
<b>Excess funds available for carry-forward to 2015-2016 (limited to 10% of initial allocation)</b>	
Maximum funds that could be carried forward	\$0.00
Excess funds that could be carried forward	\$0.00
<b>FUNDS CARRIED FORWARD TO 2015-2016</b>	<b>\$0.00</b>
<b>FINAL REFUND TO OHE</b>	<b>\$0.00</b>

Carry back is only available the first year of the biennium.

Carry forward amount is limited to 10% of your FY15 initial allocation.

Please return this amount to OHE no later than July 31, 2015. Mail to:  
OHE  
PO Box 64449  
St Paul, MN 55164-0449  
**YOU ARE NOT CLOSED OUT UNTIL THIS REFUND IS RECEIVED BY OHE.**







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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](mailto:info@ohe.state.mn.us)  
Web: [www.ohe.state.mn.us](http://www.ohe.state.mn.us)  
[www.getreadyforcollege.org](http://www.getreadyforcollege.org)



Date: May 11, 2015  
To: MN State Work Study Program Representative  
From: Brenda Larter, Program Assistant  
Financial Aid Programs  
Subject: MN State Work Study Program – May 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: [www.ohe.state.mn.us/surveys/refRealloc/ws.cfm](http://www.ohe.state.mn.us/surveys/refRealloc/ws.cfm).

In order to be considered in the 2014-2015 MN State Work Study Program reallocation process, you must report at the above web-site no later than **May 22, 2015**. Please report if you will be sending a refund or need additional MN State Work Study funds.

**Please return refunds promptly, no later than May 22, 2015. Reallocations cannot be processed until refunds are received by OHE.** All refunds/checks should be accompanied by the OHE refund return form to ensure the funds are credited appropriately. The refund return form can be found at [www.ohe.state.mn.us/mPg.cfm?pageID=1538](http://www.ohe.state.mn.us/mPg.cfm?pageID=1538). 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**

**Any program funds returned to OHE after March 1, 2015, will have an adverse affect on next year's allocation.**

The attached spreadsheet shows:

- Institution name
- July Disbursement
- October Disbursement
- December Disbursement
- Initial Allocation
- November Reallocation
- January Reallocation (no funds available)
- March Reallocation
- February Refunds
- Late April/May Refunds
- Net Disbursements
- Minus Funds Carried Back from FY15 to FY14
- Plus Funds Carried Forward from FY14 to FY15
- Total Funds Available
- Maximum Allowable Carry Forward

If you have any questions, please contact me.



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## Minnesota State Work Study Program Off-Campus Employment Agreement

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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 student's 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.

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**Institution**

\_\_\_\_\_  
Signature, Supervisor, Work Study Program

**Name and Address of Institution:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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. \_\_\_\_\_

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 provide 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.
- Judgments 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:	Student ID:
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 week's 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 beyond my assigned hours without permission from my supervisor.
7. I will complete I-9 and W-4 forms 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 term 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
<b>Student Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• U.S. citizen or eligible non-citizen.</li> <li>• Making satisfactory academic progress.</li> <li>• No state residency requirement.</li> <li>• No required enrollment level.</li> <li>• Undergraduate or graduate students.</li> <li>• Enrolled in program leading to credential.</li> <li>• Any eligible Title IV college.</li> <li>• Eligible during period of non-enrollment.</li> <li>• No reciprocity restriction.</li> <li>• HS diploma or GED.</li> <li>• Ineligible if loan default.</li> <li>• Drug conviction restriction.</li> <li>• Overpayment restriction.</li> <li>• Selective Service requirement.</li> </ul>	<ul style="list-style-type: none"> <li>• Students must have an authorized work permit.</li> <li>• Adopts Title IV SAP policy.</li> <li>• Minnesota resident (as defined for State Grant). Student must be lawfully present prior to meeting MN resident status.</li> <li>• Enrolled half-time (6 credits for undergraduates, school defines for graduate students); priority to full-time students (12 credits).</li> <li>• Undergraduate or graduate students. 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.</li> <li>• Enrolled in program leading to credential.</li> <li>• Enrolled at MN college.</li> <li>• Eligible during one term of non-enrollment or less than half-time enrollment per aid year.</li> <li>• Reciprocity students not eligible.</li> <li>• No HS diploma or GED.</li> <li>• No loan default restriction.</li> <li>• No drug conviction restriction.</li> <li>• No overpayment restriction.</li> <li>• No Selective Service requirement.</li> </ul>

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Program Component	Federal Work Study	Minnesota State Work Study
<b>Eligible Employer</b>	<ul style="list-style-type: none"> <li>• Title IV eligible institution.</li> <li>• Non-profit, non-sectarian agency or school.</li> <li>• For-profit organization (if academically relevant).</li> <li>• Services for students with disabilities.</li> <li>• Not specifically mentioned.</li> <li>• Off-campus employment contract required.</li> </ul>	<ul style="list-style-type: none"> <li>• MN postsecondary institution.</li> <li>• Non-profit, non-sectarian agency or school.</li> <li>• For-profit organization (if internship related to student's area of study).</li> <li>• Individual with substantial disability.</li> <li>• Individual over 65 requiring assistance.</li> <li>• Off-campus employment contract required (on-campus encouraged).</li> </ul>
<b>Types of Employment</b>	<ul style="list-style-type: none"> <li>• To extent possible, positions should be related to student's educational goals.</li> </ul> <p><b>On-Campus (including with contractors)</b></p> <ul style="list-style-type: none"> <li>• Cannot displace employees or contractor employees.</li> <li>• No constructing, operating or maintaining area used for religious worship or instruction.</li> <li>• If for-profit school, on-campus positions must provide student services, not involve recruiting, compliment student's educational goals.</li> </ul> <p><b>Off-Campus, Non-Profit</b></p> <ul style="list-style-type: none"> <li>• Must be in public interest (not limited to membership, organization, non-political).</li> <li>• Prohibits displacement of employees.</li> </ul> <p><b>For-Profit Organizations</b></p> <ul style="list-style-type: none"> <li>• Academically relevant to student's area of study.</li> <li>• Prohibits displacement of employees.</li> </ul> <p><b>Earning credit for position okay if:</b></p> <ul style="list-style-type: none"> <li>• Not paid less because credit awarded.</li> <li>• Not paid for receiving instruction.</li> <li>• Not normally paid for position.</li> </ul>	<ul style="list-style-type: none"> <li>• To extent possible, positions should be related to student's educational goals.</li> </ul> <p><b>On-Campus (including with contractors)</b></p> <ul style="list-style-type: none"> <li>• No displacement restriction.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> </ul> <p><b>Off-Campus, Non-Profit</b></p> <ul style="list-style-type: none"> <li>• Adopts FWS policies.</li> <li>• Prohibits displacement of employees.</li> </ul> <p><b>For-Profit Organizations</b></p> <ul style="list-style-type: none"> <li>• Must be internship in student's area of study.</li> <li>• No similar displacement restriction.</li> </ul> <p><b>Adopts FWS policies.</b></p>



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Program Component	Federal Work Study	Minnesota State Work Study
<b>Employment Conditions</b>	<ul style="list-style-type: none"> <li>• Must pay at least federal minimum wage.</li> <li>• Subject to federal and state tax withholding.</li> <li>• Allowed to start working prior to verification taking place, at the school's discretion. Such students may not work beyond the first 60 consecutive days after the student enrolls for the aid year. If verification results in the student not being eligible, the school must repay all earnings to the program and convert the position to another source of funding.</li> <li>• Cannot volunteer hours.</li> <li>• Can be paid for required training up to 20 hours.</li> <li>• Can be paid for travel to community service jobs.</li> <li>• No limits on hours per week (but may be FICA withholding considerations).</li> <li>• No garnishment of wages except to pay COA components.</li> <li>• Must complete required forms for Department of Homeland Security.</li> <li>• No compensation for sick leave, vacation or holidays.</li> <li>• In the event of a major disaster, an eligible school located in any area affected by such major disaster, as determined by the Secretary, may make payments to disaster-affected students, for the period of time (not to exceed one academic year) in which the disaster-affected students were prevented from fulfilling their work-study obligations.</li> <li>• Schools can use funds to compensate students employed in projects that teach civics in schools, raise awareness of government functions or resources, or increase civic participation.</li> </ul>	<ul style="list-style-type: none"> <li>• Must pay at least federal or state minimum wage (whichever higher).</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies if job meets FWS definition of community service.</li> <li>• Adopts FWS policies.</li> <li>• Garnishment allowed. Cannot reduce garnishment for court-ordered child support due to garnishment from other creditors.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> <li>• No similar provision.</li> <li>• No similar provision.</li> </ul>

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Program Component	Federal Work Study	Minnesota State Work Study
<b>Award Calculation</b>	<b>COA-EFC–Resources/Financial Aid</b> <ul style="list-style-type: none"> <li>• Certain non-need based loans can replace EFC.</li> <li>• Optional exclusion of subsidized Stafford Loan up to amount of Chapter 30 veterans educational benefits and/or AmeriCorps funds.</li> <li>• Work Study earnings (minus job-related expenses) during period of non-enrollment are considered resource.</li> </ul>	<b>COA-EFC–Resources/Financial Aid</b> <ul style="list-style-type: none"> <li>• Same</li> <li>• Same</li> <li>• Same</li> </ul>
<b>Disbursement</b>	<ul style="list-style-type: none"> <li>• Must pay student at least monthly.</li> <li>• May issue check to student or, with student’s authorization, credit student’s account or transfer to student’s bank account via EFT.</li> <li>• May pay school share of student’s wages with non-cash contribution (tuition, room and board, books, etc.).</li> <li>• Must pay student out of fiscal year hours were performed (e.g., FY10 for hours before June 30, 2010, and FY11 for hours on and after July 1, 2010).</li> <li>• FWS not included in refund calculations, since student earned funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> <li>• No similar provision.</li> <li>• Adopts FWS policies.</li> <li>• Adopts FWS policies.</li> </ul>

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Program Component	Federal Work Study	Minnesota State Work Study
<b>Use of Allocation</b>	<ul style="list-style-type: none"> <li>• FWS provides administrative cost allowance to administer program (portion may be used to set up community service program or training tutors).</li> <li>• 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.</li> <li>• School can only use 25% of allocation for positions in for-profit sector.</li>   <li>• School can only fund 10% of total FWS students employed at non-profit or government agency with 90% FWS/10% employer share.</li> <li>• Lesser of 10% of allocation and reallocation or \$75k can be used to create or expand JLD program.</li> <li>• 25% of funds can be transferred to FSEOG program.</li> </ul>	<ul style="list-style-type: none"> <li>• No administrative cost allowance provided.</li>   <li>• No similar provision, but community service and tutoring positions strongly encouraged.</li>   <li>• School can only use 30% of allocation for positions in for-profit sector if directly related to the student's field of study and will enhance student's knowledge and skills in that field.</li>   <li>• No similar provision.</li>   <li>• No similar provision.</li>   <li>• No similar provision.</li> </ul>
<b>Use of Allocation</b> continued	<ul style="list-style-type: none"> <li>• Similar to SWS except no restriction against carry back across biennium.</li>   <li>• 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.</li>   <li>• Excess funds returned at end of year. School penalized dollar for dollar if amount returned exceeds 10% of allocation.</li> </ul>	<ul style="list-style-type: none"> <li>• School can always carry forward/back up to 10% of initial allocation to/from next fiscal year, except CANNOT carryback across biennium.</li>   <li>• Refunds requested and reallocations performed throughout aid year by Office of Higher Education.</li>   <li>• Excess funds returned after March 1. Reduce allocation for next year by % allocation returned.</li> </ul>

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Program Component	Federal Work Study	Minnesota State Work Study
<b>Work Study/ Employer Share</b>	<ul style="list-style-type: none"> <li>• Standard shares are 75% FWS/25% employer.</li> <li>• FWS can fund 100% of student's wages if employed in certain tutoring or literacy positions.</li> <li>• FWS can fund 100% of student's wages at colleges serving high need populations (eligible school under CFR 606,607,608,609).</li> <li>• 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).</li> <li>• FWS covers only 50% of student's wages if employed in for-profit sector.</li> <li>• FWS covers up to 80% of wages for JLD program development positions.</li> </ul>	<ul style="list-style-type: none"> <li>• Standard shares are 75% SWS/ 25% employer.</li> <li>• No similar provision. Standard 75/25 SWS/employer share.</li> <li>• No similar provision. Standard 75/25 SWS/employer share.</li> <li>• No similar provision. Standard 75/25 SWS/employer share.</li> <li>• No similar provision. Standard 75/25 SWS/employer share.</li> <li>• No similar provision. Standard 75/25 SWS/employer share.</li> </ul>
<b>Payroll Records/ Supervision</b>	<ul style="list-style-type: none"> <li>• School/employer must develop program of supervision consistent with nature of job and needs of student.</li> <li>• Not specifically addressed in FWS law, but local school districts may require this.</li> <li>• Timesheet must be signed by supervisor. Electronic signature okay if meets guidelines for electronic certification.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopts FWS policies.</li> <li>• Students employed in K-12 schools must work under direct supervision of school district personnel.</li> <li>• Adopts FWS policies.</li> </ul>



**Postsecondary  
Child  
Care  
Grant  
Program**

**2015-2016**



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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.103, as defined in the 'Common Definitions' section of the manual. The institution must have signed 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 complete the Institutional Request for Participation form (see Appendix 1 of this chapter) on an annual basis.

#### **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. The student must complete the Free Application for Federal Student Aid (FAFSA) along with the program application.

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

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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.

**a. 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.

The definition of Minnesota resident used for this program only was revised to include a student whose spouse is a resident of Minnesota. This will require the school to determine the spouse's residency status by having the spouse complete OHE's Student Eligibility Questionnaire (Appendix 2 of the State Grant manual). This change is effective for terms starting on or after August 1, 2015. Therefore, schools treating the summer 2015 term as the leading term of the 2015-2016 aid year cannot apply this change for that term unless it starts on or after that date.

**b. 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.)

**c. 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 or averaging 12 clock hours per week at a clock hour program.

Interim term credits should be allocated to adjoining terms in the manner described under 'Use of Interim Term Credits' in the 'State Grant' chapter of this manual.

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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. The school may have a policy allowing repeated classes to be counted towards the student's enrollment level. Transfer credits earned for previous course work at another institution or courses the student audited must not be counted towards enrollment status.

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.

**d. Undergraduate Program/Baccalaureate Degree**

The student must be enrolled in an undergraduate program and must not have earned a baccalaureate degree.

**e. Four Years of Postsecondary Education**

The student must not have attended 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.) Attendance is accumulated in units, with 96 units being the equivalent of four academic years of full-time attendance.

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 in the 'State Grant' chapter of this manual. 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

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Postsecondary Child Care Grant at a quarter system institution. A student with more than 93.6 units is no longer eligible for a Postsecondary Child Care Grant at a semester system institution.

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.

Terms during which a student withdrew for activity military service after December 31, 2002, shall not count against the limit on postsecondary education.

To make the four-year limit on postsecondary attendance uniform with the State Grant program, language was added to exclude withdrawn courses for a term during which the student withdrew for a major medical illness as documented by a medical professional.

**f. Reciprocity Status**

The student must not be receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary school.

**g. 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. (Nonsectarian program is defined in the rules 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 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

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at a Minnesota postsecondary institution eligible to participate in the Postsecondary Child Care Grant program.

**h. Eligible Child**

The student must have a child 12 years of age or younger, or 14 years of age or younger who has a disability 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. If the child meets this requirement at the beginning of the term, the child is eligible for the entire term.

“Child with a disability” means a 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 rules of the commissioner. 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 rules 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 in accordance with regulations in place for federal Title IV financial aid programs. A foster child does not meet the federal requirements for inclusion in the household size.

**i. 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 consistent across financial aid programs and is defined in the ‘Common Definitions’ chapter of this manual.

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**j. 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 MinnesotaCare, Medical Assistance, Supplemental Nutrition Assistance Program (SNAP) or Diversionary Work Program (DWP) and still be eligible for aid from the Postsecondary Child Care Grant program if those benefits are not under the MFIP program.

Students under DWP are eligible for child care assistance through the DWP, so those benefits would be subtracted from actual child care costs used in the Postsecondary Child Care Grant award calculation. The DWP is a program families are referred to for four months prior to going on MFIP.

If a student's MFIP status changes mid-term, please refer to 'Prorating Awards When Eligibility Limited to Partial Term.'

**k. 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. This is the same criteria as for the State Grant program.

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### **1. Ten-Day Reporting Requirement**

Per Agency program rules, the student must report any changes to data reported on the Postsecondary Child Care Grant application within 10 days of the change occurring. The student is notified of this requirement in the student certification section of the application. It is left to the discretion of the financial aid administrator to determine whether the student's failure to report changes was an unintentional oversight or an intentional withholding of information from the school. The school must use the new information provided by the student to determine eligibility, recalculate the award, if required, and collect any overpayments from prior disbursements. If the school determines the student intentionally withheld information, the school must also cancel the award for the remainder of the academic year, since the student does not meet program eligibility requirements (see also 'Change in Student's Application Information' and 'Denial/Termination Procedures' sections in this chapter for further information).

### **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 takes care of child(ren) from only one other family besides his/her own; or
- other programs excluded from state licensure under Minnesota Statutes 245A.03, Subd 2 ([www.leg.state.mn.us](http://www.leg.state.mn.us)).

The following persons are NOT eligible child care providers:

- the child's other parent or legal guardian;
- the child's natural parent, adoptive parent or stepparent;
- any individual if they reside in the same home as the student and children.

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There is no requirement that a child care provider be located or licensed in Minnesota. However, the provider's information must be verified by the school. (See 'Provider Verification' section of this chapter.)

## **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.

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 funds. 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. (See also 'School Liability for Overpayments' section in this chapter.)

In addition to federal verification and provider verification, the school is also responsible for verifying that the total income and household size used to calculate the child care award 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. Provider Verification**

Prior to awarding the student each academic year, the school must verify the information supplied by the child care provider in the provider section of the program application. (The student is notified of this in the student certification section of the application.)



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Appendix 11 is a cover letter that can be sent to the provider along with a copy of the provider section of the student’s application with the student’s name and school ID blacked out. The school has the option of modifying the cover letter or sending a blank provider section of the application in lieu of the provider section from the student’s completed application. Information can be sent to and/or received from the provider via mail, email, fax or telephone. If verification is conducted over the phone, the school should date and document the content of the phone call and keep such records for auditing purposes. Provider verification is required at least once per academic year, but the school may choose to perform provider verification more frequently.

### **3. 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 which is the first working date after August 9.

### **4. 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, have had continuing enrollment at the same school, and submitted applications before the deadline date established for the prioritization of applications.

A school may have a policy assigning lowest priority among renewal applicants to an applicant who received an award disbursement and provided fraudulent information on the application during the prior academic year. If such a student did not receive an award disbursement or repaid the disbursement during the prior academic year, the student would

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not be considered a renewal applicant. Thus, the school’s awarding policy could assign lowest priority to such students among all applicants.

“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.

#### **5. Change in Student’s Application Information**

Per Agency program rules, the student must report any changes to data reported on the Postsecondary Child Care Grant application within 10 days of the change occurring. The student is notified of this requirement in the student certification section of the application. The child care provider is also notified in the provider certification section of the program application that any changes to information in that section must be immediately reported to the school’s financial aid office.

It is left to the discretion of the financial aid administrator to determine whether any failure to report changes was an unintentional oversight or an intentional withholding of information from the school. The school must use the new information provided by the student and/or provider to re-determine eligibility, recalculate the award and, if required, collect any overpayments from prior disbursements. If the school determines the student intentionally withheld information, the school must also cancel the award for the remainder of the academic year, since the student does not meet program eligibility requirements. (See ‘Denial/Termination Procedures’ section in this chapter for termination requirements.) If the school determines the provider intentionally withheld information without the student’s knowledge, the school must require the student to use another provider and make any necessary revisions to the student’s award after verifying the new provider’s information.

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If the school has reason to believe the student and/or provider intentionally reported fraudulent information on the program application, the school should recalculate the award, collect any overpayments and cancel the award for the remainder of the academic year. The school should report the case of fraud to the Agency and take any necessary actions against the student and/or provider, such as student disciplinary proceedings and/or reporting the fraud to the local police or district attorney's office.

With respect to eligibility in future academic years, the program's statute requires schools to give top priority to renewal applicants who apply before the school's priority deadline. However, the school may have a policy of prioritizing renewal applications such that students previously found to engage in fraud are assigned the lowest priority among renewal applications. Further, if the fraud was discovered *prior* to the student receiving an award disbursement, or the award disbursement was repaid by the student, the student would not technically be a renewal applicant the following year and could be assigned the lowest priority in the school's award policy. (See also 'Written Award Policy' section in this chapter.)

## **6. Conflicting Information and Federal Verification**

Prior to awarding the student, 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 federal 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](http://www.ifap.ed.gov) for further guidance.

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The Agency has created a “Conflicting Information Form” to assist you when the student has reported day care costs that cannot be supported by the reported income (Appendix 10).

## **D. Award Process and Calculation**

### **1. Written Award Policy**

The school must 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 must be signed and dated by the director of financial aid. This policy must 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, such as retroactive awards.

The institution’s method of prioritizing applications may assign the lowest priority to applicants who previously failed to report changes or provided fraudulent information on the application. (See also ‘Change in Student’s Application Information’ in this chapter.)

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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. Schools are responsible for assuring that funds are available to cover eligible child care costs for each student awarded a Postsecondary Child Care Grant. The school can award for fewer terms if the student will only attend for part of the year, the student will run out of eligibility due to previous postsecondary attendance, the award is being made later in the academic year (the school can choose not to award retroactively to past terms) or the remaining funds will not cover the full year. The award for each term must be revised to reflect the student's actual child care costs and enrollment status for that term. Applications may be approved or student eligibility extended beyond the allocation amount if funds from other sources are used. If funds are available, you are encouraged to award students for the entire academic year.

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.)

If funds are available, 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

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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 for each child for each term.

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 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.')

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.')

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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 (excluding federal veterans' benefits) 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.

The minimum Child Care Grant award is \$50 per semester or \$33 per quarter.

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](http://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 a term or for breaks between two terms for which the student will be enrolled. Child care costs incurred during a break between two terms must be split evenly between terms. For example, if a student's break is a 5-day week between two 15-week semesters, actual costs for each semester would be based on 15.5 weeks. Prior to awarding the student, the school must verify actual costs with the provider. (See 'Provider Verification' section of this chapter.)

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. All day kindergarten, preschool and latch-key programs are considered an eligible child care provider if the student is charged for these services. The \$10.00 maximum would apply. Providers may charge students in advance of services rendered. Child care

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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, Early Childhood Scholarship, Transition Year, spouse receiving Postsecondary Child Care Grant, employer-subsidized child care assistance, other parent receiving a discounted rate, child care scholarship or any other assistance program, 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.

The school must also decrease actual costs by the amount of any court-ordered (e.g., divorce settlement) child 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 \$2,800, the student could receive up to



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\$1,400 for fall semester, \$1,400 for spring semester and an additional \$1,400 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 used to calculate the Postsecondary Child Care Grant award are those defined in Federal Methodology and used to 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 or ISIR showing total FISAP income, income tax statements, verification worksheet, etc.).

<b>Total Income:</b>	
<b>Total Taxable Income from 2015-2016 FAFSA</b>	(adjusted gross income if tax filer, #36 if independent or #85 if dependent; total wages if non-filer, #39 and #40 if independent or #88 and #89 if dependent)
+ <b>Total Untaxed Income from 2015-2016 FAFSA</b>	(untaxed income, #45 a-j if independent or #94 a-i if dependent)
<b>- Income Exclusions from 2015-2016 FAFSA</b>	(additional financial information, #44 a-f if independent or #93 a-f if dependent)
<b>= Total Family Income</b>	

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

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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 parents’ total income and household size must be those used to calculate eligibility 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 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

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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 annual award table for Mary Smith's household size and total income level is \$2,800 (\$1,400 for a semester).

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 \$3,080 (\$1,540 for a semester). The adjusted term amount of \$1,540 is then compared to actual costs for the term (\$3,700 for this example) and financial need (\$5,000 for this example) and is chosen as the term 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 \$1,540. 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 \$1,120, which is derived by multiplying the maximum term award amount of \$1,400 (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 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

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financial aid and resources) as defined for the Federal Title IV campus-based programs. Federal veterans' benefits are no longer considered resources that must be subtracted when determining financial need. 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 Packaging Aid 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 including the names of the children covered by the award. This award notice should be used by the student as proof of an award. If the 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.

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If additional funds become available, a student should be awarded for the current and future terms of the academic year or 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. Priority should go to next student in line and, if funds are available, you are encouraged to award the student for the entire academic year.

#### **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, provider information 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.

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

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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 you use a census/award adjustment date for the State Grant program and the student later withdraws from a class or classes, you would not be required to adjust the Child Care Grant award.

If a student adds credits after disbursement, the school should recalculate and increase the student’s Postsecondary Child Care Grant award if funds are available.

**a. School Liability for Overpayments**

If the school cannot collect a Postsecondary Child Care Grant overpayment from the student, the school is liable for repaying the overpayment from its own funds if the school disbursed funds to the student prior to provider verification or any required federal verification taking place. The school is also liable for the overpayment if it had documentation that the student was not eligible at the time of disbursement or had conflicting information that was not resolved prior to disbursement.

The school is not liable for overpayments resulting from award calculations or cancellations taking place *after* federal verification, provider verification or resolution of conflicting information has been performed. If the school cannot collect the overpayment from the student after **diligent billing attempts**, the school may turn the

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overpayment over to the Agency at the end of the year as an account receivable, along with all supporting documentation.

## **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

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- 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.

**Example:**

Mary Jones is enrolled for 12 credits during fall quarter 2015. 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 grant 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 \$2,800. The maximum amount for one quarter would be \$933, which is then reduced to \$746 (pro-rated 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 \$373.

Mary would be awarded a \$373 Postsecondary Child Care Grant for the remaining five weeks of fall term, since the prorated award from the maximum award chart is less than actual child care costs.

## **9. Child Care Grant Awards Affected By Subsequent MFIP Payments**

If a student receives a Postsecondary Child Care Grant disbursement for a term and subsequently becomes eligible for MFIP benefits during the same term, the school should cancel the student's award for the remainder of the academic year or until such time as the student notifies the school she/he no longer qualifies for MFIP benefits. The school should then recalculate the student's Postsecondary Child Care Grant award for the term according to the method described under the 'Prorating Awards When Eligibility Limited to Partial Term' section of this chapter. The school should also inform the county human services agency that the student received a Postsecondary Child Care Grant award during the term (the student gives the school permission to share information with the county by signing the student certification section of the application).

If the award recalculation results in an overpayment, the school must collect the overpayment from the student. If the student reported the MFIP eligibility to the school



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within the required 10-day reporting period for the Postsecondary Child Care Grant program, the student's eligibility and priority are retained for subsequent terms of the academic year should the student lose eligibility for MFIP benefits. If the student did not report the MFIP eligibility to the school within the 10-day reporting period, the policies described under 'Change in Student's Application Information,' 'Prioritizing Applications/Renewal Applicants,' and 'Denial/Termination Procedures' would apply.

## **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 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, or
- is expelled.

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.

If an institution makes a Postsecondary Child Care Grant payment to a student or provider prior to the beginning of the state fiscal year from which it is awarded, the payment must be

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cancelled or adjusted based on changes in enrollment, eligibility requirements or the award calculation formula that take place prior to receipt of Postsecondary Child Care Grant funds by the institution.

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 for 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/provider 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/provider 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/provider, the date the student/provider 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,
- by an institutional check that is mailed to the student or provider,
- to the student's account, or

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- to the student or provider 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. 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.

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.

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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.

#### **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

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shall not be counted as credits earned. Courses with grades of W, FN or FW may not be included when determining enrollment level.

A retroactive payment can be processed for a term within the same aid 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 non-passing grade shall be counted as if credits were earned. In cases where a student earns non-passing grades 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. 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 funds upon returning to school. Postsecondary Child Care Grant funds **must not** be disbursed while the student is on a leave of absence unless they are for a previous term or payment period that has already been completed.

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 actual attendance and the applicable refund requirements apply.

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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.

## **6. Student Account Balances**

Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those disbursements 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.

This also applies to cases where the institution posts Postsecondary Child Care Grant disbursements to the student's account prior to receipt of Postsecondary Child Care Grant funds from the Agency.

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 an institution attempts to disburse funds by check or EFT transaction to the student or provider and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student or provider, provided those attempts take place within 45 days after the funds were returned or rejected. If no additional attempts to disburse funds are made, the funds must be returned to the program within that 45-day period. If an institution attempts to disburse funds by check to the student or provider and the check is not cashed, the institution must return funds to the program within 240 days of the check being issued.

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.

## **7. 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.

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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.

## **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 or drops 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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If you use a census/award adjustment date for the State Grant program and the student later withdraws from a class or classes, you would not be required to adjust the Child Care Grant award.

**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 \$2,800 per year, or \$1,400 per semester for full-time enrollment. The student's Child Care Grant is the lesser of the two, or \$1,400. The student then withdraws from a three-credit class.

If the student never attended the class, the student's award would be revised to \$1,120, 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 ( $\$1,400 \times 12/15 = \$1,120$ ). The difference between the \$1,400 and \$1,120 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 \$280) 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 (51.7% of non-Title IV aid package) and a \$1,400 Child Care Grant (48.3%), 48.3% of the refund, or \$72, would be distributed to the Child Care Grant program. Because \$72 is less than the difference between the original and revised award (\$280), only \$72 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

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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 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 commissioner of the Minnesota Office of Higher Education for review. The commissioner 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 commissioner's decision. The commissioner's decision is final.

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## 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:

<b>Initial Allocation</b>			
<u>The Institution's Share</u>		Postsecondary Child Care Grant	
Sum of Participating	X	Legislative Appropriation for	X
Institutions' Shares		Fiscal Year	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

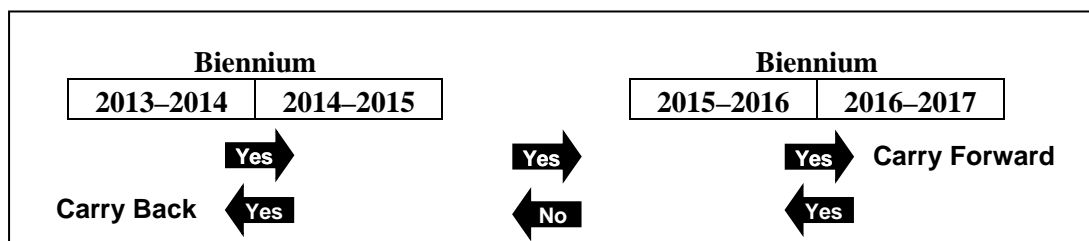
An institution's utilization rate is derived by dividing the institution's total expenditures by the total funds available. Total expenditures and funds available are calculated as follows:

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<b>Utilization Rate</b>	
Total Student Postsecondary Child Care Grant Awards for Current Fiscal Year	
+	<u>Administrative Expense Allowance for Current Fiscal Year</u>
=	<b>Total Expenditures</b>
Current Year Initial Allocation (funds disbursed in July, August 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>
=	<b>Total Funds Available</b>
*In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.	
<b><u>Total Expenditures</u> = Utilization Rate</b>	
<b>Total Funds Available</b>	

### 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., July, August 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.



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#### 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.

An institution's reallocation amount is calculated as follows:

<b>Reallocation Formula</b>		
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

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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.

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.

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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 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 shall 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.)

At the end of the fiscal year, excess funds must be returned to the Agency no later than July 31.

#### **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,
- End of Year Report and Supplements, and
- Monthly Spending (reported on-line).

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.

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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.

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.



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### **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;
- documentation of the required provider verification and/or federal verification;
- 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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**125A.02 CHILD WITH A DISABILITY DEFINED.**

Subdivision 1. **Child with a disability.** “Child with a disability” means a child identified under federal and state special education law as deaf or hard of hearing, blind or visually impaired, deafblind, or having a speech or language impairment, a physical impairment, other health disability, developmental cognitive disability, an emotional or behavioral disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or severe multiple impairments, and who needs special education and related services, as determined by the rules of the commissioner. A licensed physician, an advanced practice nurse, or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability.

Subd. 1a. **Children ages three through seven experiencing developmental delays.** 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 rules 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 rules 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; 2008 c 326 art 1 s 1; 2009 c 96 art 3 s 5; 1Sp2011 c 11 art 3 s 1

**136A.125 CHILD CARE GRANTS.**

Subdivision 1. **Establishment.** A child care grant program is established under the supervision of the office. 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.

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**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 or the applicant's spouse 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;
- (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 after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

**EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to academic terms commencing on or after that date.

**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.

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**Subd. 4. Amount and length of grants.**

- (a) 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.
- (b) The maximum award to the applicant shall be \$2,800 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.
- (c) Applicants with family incomes at or below a percentage of the federal poverty level, as determined by the commissioner, will qualify for the maximum award. The commissioner shall attempt to set the percentage at a level estimated to fully expend the available appropriation for child care grants. Applicants with family incomes exceeding that threshold will receive the maximum award minus ten percent of their income exceeding that threshold. If the result is less than zero, the grant is zero.
- (d) The academic year award amount must be disbursed by academic term using the following formula:
- (1) the academic year amount described in paragraph (b);
  - (2) divided by the number of terms in the academic year;
  - (3) divided by 15; and
  - (4) multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits.

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(e) 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

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 term of 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. The annual maximum grant per eligible child must not exceed the calculated annual amount in subdivision 4, plus the additional amount in this subdivision, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

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. 4d. **Additional grants.** An additional term of 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. The annual maximum grant per eligible child must not exceed the calculated annual amount in subdivision 4. Plus the additional amount in this subdivision, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

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.

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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.

**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; 2007 c 144 art 2 s 21,22





**Office of  
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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 with a disability 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 2005 c 56 s 2; 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;

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C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

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 disabled 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.

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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.

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; L 2005 c 56 s 2

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.

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**Stat Auth:** MS s 14.388; 136A.04; 136A.125

**Hist:** 14 SR 2789; 19 SR 1636; 28 SR 889

**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;

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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 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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## 2015-2016 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 2015-2016 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 2015-2016 academic year.  
**Optional:** Please indicate why you *do not* wish to participate:

\$  **Estimate** of 2015-2016 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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<b>2015-2016 Postsecondary Child Care Grant Program Application</b>
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**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 notifies student of award.**

<b>SECTION A - Completed by Student (Please use ink or type)</b>	
1. Name (Last, First, Middle):	
2. Student School ID:	3. Student Email Address:
4. Permanent Home Address:	
5. City, State, Zip Code:	
6. County of Residence:	7. Telephone Number:
8. Number of children 12 years of age or younger receiving child care:	9. Number of children with a disability 14 years of age or younger receiving child care:
10. Are you and/or any of your dependents currently receiving MFIP benefits? <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, list names of ALL MFIP recipients and attach documentation from county social services.)	
11. 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.) Caseworker's Name: _____ and Phone Number: _____	
12. Indicate the number of credits for which you intend to register: _____                      _____                      _____                      _____ Fall Term                      Winter Term                      Spring Term                      Summer Term	
<b>STUDENT CERTIFICATION Please check every box next to each statement indicating that you understand the statement.</b>	
<input type="checkbox"/> 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, Basic Sliding Fee or Transition Year benefits, hours of child care, changes in provider or provider rates, etc. I understand that failure to report any changes within 10 days will result in cancellation and possible repayment of any Postsecondary Child Care Grant.	
<input type="checkbox"/> 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 agree to furnish receipts from my child care provider if requested by the school or Office of Higher Education staff.	
<input type="checkbox"/> I give permission to the Office of Higher Education and any school I attend to share information regarding the Postsecondary Child Care Grant with my child care provider(s) and to verify the information on this application. I also give my provider permission to verify the information in the provider's section when contacted by the school or the Office of Higher Education staff and understand that my application will be on hold until the provider information has been verified.	
<input type="checkbox"/> 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, Transition Year or Basic Sliding Fee child care benefits I receive from July 1, 2015 to September 30, 2016. I give permission to the school and the Office of Higher Education to report my child care award to my county social service agency if I receive MFIP, Transition Year benefits or Basic Sliding Fee child care assistance during this academic school year.	
<input type="checkbox"/> 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.	
<input type="checkbox"/> I understand that if I withdraw or reduce my enrollment after receiving a Postsecondary Child Care Grant, all or a portion of the grant will need to be repaid to my college.	
<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 Postsecondary Child Care Grant Program and that if I purposely give false or misleading information on this form, <b>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.</b>	
<b>Student's Signature</b>	<b>Date</b> (month/day/year)

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Student Name:	Student School ID:
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**Child Care Provider Must Complete ENTIRE Page**

SECTION B – Completed by Child Care Provider (Please use ink or type)						
Child's Full Name	Child's Age	Child's Date of Birth	Total Hours Child Care Provided Per Week	Rate Type Charged (check one box)	Amount Charged Per Child	Date Day Care Started (month/day/year)
				<input type="checkbox"/> Hourly Rate <input type="checkbox"/> Weekly Rate	\$	
				<input type="checkbox"/> Hourly Rate <input type="checkbox"/> Weekly Rate	\$	
				<input type="checkbox"/> Hourly Rate <input type="checkbox"/> Weekly Rate	\$	
				<input type="checkbox"/> Hourly Rate <input type="checkbox"/> Weekly Rate	\$	
				<input type="checkbox"/> Hourly Rate <input type="checkbox"/> Weekly Rate	\$	
Please list child care assistance paid to provider from other sources such as Basic Sliding Fee, Early Childhood Scholarship, Transition Year, other parent receiving discounted rate, child care scholarships or any other assistance programs, etc.				Source: _____	\$ _____	Child _____
				Source: _____	\$ _____	Child _____
				Source: _____	\$ _____	Child _____
				Source: _____	\$ _____	Child _____
				Source: _____	\$ _____	Child _____
Child Care Center / Provider's Printed Name				Relationship to Student (if any)		
Provider's Street Address			City, State, Zip Code		County Provider Located	
Provider's Phone Number Land Line: (    )                      Cell: (    )			Provider's Email Address			
Check all that apply:						
<input type="checkbox"/> I am a licensed home child care provider. License number: _____						
<input type="checkbox"/> I am a relative of the student, who is at least 18 years of age.						
<input type="checkbox"/> 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.						
<input type="checkbox"/> I represent a licensed child care center. License number: _____						
<input type="checkbox"/> I represent a latch-key program which has a contract with a school district to provide child care for school age children.						
<b>PROVIDER CERTIFICATION Please check every box next to each statement indicating that you understand the statement.</b>						
<input type="checkbox"/> I certify that the information provided in Section B is true and correct 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 of future awards from this program.						
<input type="checkbox"/> I 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 also grant permission to Office of Higher Education or school auditors to review my financial records to verify receipt of Postsecondary Child Care Grant funds.						
<input type="checkbox"/> Applies only to unlicensed child care providers. I give permission to the Office of Higher Education or the school to report the amount of the student's Postsecondary Child Care Grant to the Internal Revenue Service or the Department of Revenue as taxable income to the provider, when requested.						
<input type="checkbox"/> 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, <b>I may be subject to a fine, a prison sentence, or both.</b>						
<input type="checkbox"/> I understand my obligation to immediately report any changes to the information provided in the above chart to the student's financial aid administrator. This includes informing the school if I am no longer providing child care services for the student's children.						
Provider Signature				Date (month/day/year)		
<b>Please report any changes to the student's college financial aid administrator using this contact information:</b>						



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<b>2015-2016 Postsecondary Child Care Grant Program Application Instructions</b>
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**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 notifies student of award.**

The maximum full-time Postsecondary Child Care Grant award for a full-time student (15 credits per term) is \$2,800 for each eligible child per academic year. Assistance may cover up to 40 hours of child care per week for each eligible child, for a maximum home care cost of \$5 an hour and a maximum center care cost of \$10 an hour. 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.

**In order to be eligible, a recipient must:**

1. be a Minnesota resident (see definition below), including undocumented students who qualify under the MN Dream Act;
2. not be receiving benefits from the Minnesota Family Investment Program (MFIP);
3. must be income eligible (your college financial aid office has a chart showing qualifying income guidelines);
4. be pursuing a non-sectarian program or course of study that applies to an undergraduate degree, diploma or certificate;
5. have a child 12 years of age or younger, or 14 years of age or younger with a disability, needing child care service on a regular basis;
6. be enrolled at least half-time, taking at least six credits per quarter, semester or the equivalent;
7. be in good standing and making satisfactory academic progress;
8. not be receiving tuition reciprocity;
9. 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;
10. not have earned a baccalaureate degree; and
11. 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.

**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 2015-2016 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 and the student is physically attending a Minnesota campus; 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. 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
6. a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident; 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 student eligible for resident tuition under section 135A.043; or
10. an active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota; or
11. a student whose spouse meets the definition of a Minnesota resident.

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<b>2015-2016 Postsecondary Child Care Grant Program Application Instructions</b>
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**Question #9 on application – Child with a disability is:** A 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.

**A child without a disability is:** 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.

**Question #11 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, you receive an Early Childhood scholarship, you receive any other assistance to help pay for daycare costs, other parent is receiving any of the above or a discounted day care rate, or your ex-spouse is required to cover a portion of child care costs per divorce decree, etc.

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## Postsecondary Child Care Grant Program

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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**
\$31,001 - \$32,000	\$2,547	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$32,001 - \$33,000	\$2,447	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$33,001 - \$34,000	\$2,347	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$34,001 - \$35,000	\$2,247	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$35,001 - \$36,000	\$2,147	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$36,001 - \$37,000	\$2,047	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$37,001 - \$38,000	\$1,947	\$2,717	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$38,001 - \$39,000	\$1,847	\$2,617	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$39,001 - \$40,000	\$1,747	\$2,517	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$40,001 - \$41,000	\$1,647	\$2,417	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$41,001 - \$42,000	\$1,547	\$2,317	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$42,001 - \$43,000	\$1,447	\$2,217	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$43,001 - \$44,000	\$1,347	\$2,117	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$44,001 - \$45,000	\$1,247	\$2,017	\$2,786	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$45,001 - \$46,000	\$1,147	\$1,917	\$2,686	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$46,001 - \$47,000	\$1,047	\$1,817	\$2,586	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$47,001 - \$48,000	\$947	\$1,717	\$2,486	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$48,001 - \$49,000	\$847	\$1,617	\$2,386	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$49,001 - \$50,000	\$747	\$1,517	\$2,286	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$50,001 - \$51,000	\$647	\$1,417	\$2,186	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$51,001 - \$52,000	\$547	\$1,317	\$2,086	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$52,001 - \$53,000	\$447	\$1,217	\$1,986	\$2,756	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$53,001 - \$54,000	\$347	\$1,117	\$1,886	\$2,656	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$54,001 - \$55,000	\$247	\$1,017	\$1,786	\$2,556	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$55,001 - \$56,000	\$147	\$917	\$1,686	\$2,456	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$56,001 - \$57,000	\$0	\$817	\$1,586	\$2,356	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$57,001 - \$58,000	\$0	\$717	\$1,486	\$2,256	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$58,001 - \$59,000	\$0	\$617	\$1,386	\$2,156	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$59,001 - \$60,000	\$0	\$517	\$1,286	\$2,056	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$60,001 - \$61,000	\$0	\$417	\$1,186	\$1,956	\$2,725	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$61,001 - \$62,000	\$0	\$317	\$1,086	\$1,856	\$2,625	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$62,001 - \$63,000	\$0	\$217	\$986	\$1,756	\$2,525	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$63,001 - \$64,000	\$0	\$117	\$886	\$1,656	\$2,425	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$64,001 - \$65,000	\$0	\$0	\$786	\$1,556	\$2,325	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$65,001 - \$66,000	\$0	\$0	\$686	\$1,456	\$2,225	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$66,001 - \$67,000	\$0	\$0	\$586	\$1,356	\$2,125	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$67,001 - \$68,000	\$0	\$0	\$486	\$1,256	\$2,025	\$2,795	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$68,001 - \$69,000	\$0	\$0	\$386	\$1,156	\$1,925	\$2,695	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$69,001 - \$70,000	\$0	\$0	\$286	\$1,056	\$1,825	\$2,595	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$70,001 - \$71,000	\$0	\$0	\$186	\$956	\$1,725	\$2,495	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$71,001 - \$72,000	\$0	\$0	\$0	\$856	\$1,625	\$2,395	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$72,001 - \$73,000	\$0	\$0	\$0	\$756	\$1,525	\$2,295	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$73,001 - \$74,000	\$0	\$0	\$0	\$656	\$1,425	\$2,195	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$74,001 - \$75,000	\$0	\$0	\$0	\$556	\$1,325	\$2,095	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$75,001 - \$76,000	\$0	\$0	\$0	\$456	\$1,225	\$1,995	\$2,765	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800

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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**
\$76,001 - \$77,000	\$0	\$0	\$0	\$356	\$1,125	\$1,895	\$2,665	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$77,001 - \$78,000	\$0	\$0	\$0	\$256	\$1,025	\$1,795	\$2,565	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$78,001 - \$79,000	\$0	\$0	\$0	\$156	\$925	\$1,695	\$2,465	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$79,001 - \$80,000	\$0	\$0	\$0	\$0	\$825	\$1,595	\$2,365	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$80,001 - \$81,000	\$0	\$0	\$0	\$0	\$725	\$1,495	\$2,265	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$81,001 - \$82,000	\$0	\$0	\$0	\$0	\$625	\$1,395	\$2,165	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$82,001 - \$83,000	\$0	\$0	\$0	\$0	\$525	\$1,295	\$2,065	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
\$83,001 - \$84,000	\$0	\$0	\$0	\$0	\$425	\$1,195	\$1,965	\$2,734	\$2,800	\$2,800	\$2,800	\$2,800
\$84,001 - \$85,000	\$0	\$0	\$0	\$0	\$325	\$1,095	\$1,865	\$2,634	\$2,800	\$2,800	\$2,800	\$2,800
\$85,001 - \$86,000	\$0	\$0	\$0	\$0	\$225	\$995	\$1,765	\$2,534	\$2,800	\$2,800	\$2,800	\$2,800
\$86,001 - \$87,000	\$0	\$0	\$0	\$0	\$125	\$895	\$1,665	\$2,434	\$2,800	\$2,800	\$2,800	\$2,800
\$87,001 - \$88,000	\$0	\$0	\$0	\$0	\$0	\$795	\$1,565	\$2,334	\$2,800	\$2,800	\$2,800	\$2,800
\$88,001 - \$89,000	\$0	\$0	\$0	\$0	\$0	\$695	\$1,465	\$2,234	\$2,800	\$2,800	\$2,800	\$2,800
\$89,001 - \$90,000	\$0	\$0	\$0	\$0	\$0	\$595	\$1,365	\$2,134	\$2,800	\$2,800	\$2,800	\$2,800
\$90,001 - \$91,000	\$0	\$0	\$0	\$0	\$0	\$495	\$1,265	\$2,034	\$2,800	\$2,800	\$2,800	\$2,800
\$91,001 - \$92,000	\$0	\$0	\$0	\$0	\$0	\$395	\$1,165	\$1,934	\$2,704	\$2,800	\$2,800	\$2,800
\$92,001 - \$93,000	\$0	\$0	\$0	\$0	\$0	\$295	\$1,065	\$1,834	\$2,604	\$2,800	\$2,800	\$2,800
\$93,001 - \$94,000	\$0	\$0	\$0	\$0	\$0	\$195	\$965	\$1,734	\$2,504	\$2,800	\$2,800	\$2,800
\$94,001 - \$95,000	\$0	\$0	\$0	\$0	\$0	\$0	\$865	\$1,634	\$2,404	\$2,800	\$2,800	\$2,800
\$95,001 - \$96,000	\$0	\$0	\$0	\$0	\$0	\$0	\$765	\$1,534	\$2,304	\$2,800	\$2,800	\$2,800
\$96,001 - \$97,000	\$0	\$0	\$0	\$0	\$0	\$0	\$665	\$1,434	\$2,204	\$2,800	\$2,800	\$2,800
\$97,001 - \$98,000	\$0	\$0	\$0	\$0	\$0	\$0	\$565	\$1,334	\$2,104	\$2,800	\$2,800	\$2,800
\$98,001 - \$99,000	\$0	\$0	\$0	\$0	\$0	\$0	\$465	\$1,234	\$2,004	\$2,773	\$2,800	\$2,800
\$99,001 - \$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$365	\$1,134	\$1,904	\$2,673	\$2,800	\$2,800
\$100,001 - \$101,000	\$0	\$0	\$0	\$0	\$0	\$0	\$265	\$1,034	\$1,804	\$2,573	\$2,800	\$2,800
\$101,001 - \$102,000	\$0	\$0	\$0	\$0	\$0	\$0	\$165	\$934	\$1,704	\$2,473	\$2,800	\$2,800
\$102,001 - \$103,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$834	\$1,604	\$2,373	\$2,800	\$2,800
\$103,001 - \$104,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$734	\$1,504	\$2,273	\$2,800	\$2,800
\$104,001 - \$105,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$634	\$1,404	\$2,173	\$2,800	\$2,800
\$105,001 - \$106,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$534	\$1,304	\$2,073	\$2,800	\$2,800
\$106,001 - \$107,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$434	\$1,204	\$1,973	\$2,743	\$2,800
\$107,001 - \$108,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$334	\$1,104	\$1,873	\$2,643	\$2,800
\$108,001 - \$109,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$234	\$1,004	\$1,773	\$2,543	\$2,800
\$109,001 - \$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134	\$904	\$1,673	\$2,443	\$2,800
\$110,001 - \$111,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$804	\$1,573	\$2,343	\$2,800
\$111,001 - \$112,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$704	\$1,473	\$2,243	\$2,800
\$112,001 - \$113,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604	\$1,373	\$2,143	\$2,800
\$113,001 - \$114,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$504	\$1,273	\$2,043	\$2,800
\$114,001 - \$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$404	\$1,173	\$1,943	\$2,713
\$115,001 - \$116,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$304	\$1,073	\$1,843	\$2,613
\$116,001 - \$117,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$204	\$973	\$1,743	\$2,513
\$117,001 - \$118,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104	\$873	\$1,643	\$2,413
\$118,001 - \$119,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$773	\$1,543	\$2,313
\$119,001 - \$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$673	\$1,443	\$2,213
\$120,001 - \$121,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$573	\$1,343	\$2,113
\$121,001 - \$122,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$473	\$1,243	\$2,013

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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**
\$122,001 - \$123,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$373	\$1,143	\$1,913
\$123,001 - \$124,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$273	\$1,043	\$1,813
\$124,001 - \$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173	\$943	\$1,713
\$125,001 - \$126,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$843	\$1,613
\$126,001 - \$127,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$743	\$1,513
\$127,001 - \$128,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$643	\$1,413
\$128,001 - \$129,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$543	\$1,313
\$129,001 - \$130,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$443	\$1,213
\$130,001 - \$131,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$343	\$1,113
\$131,001 - \$132,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243	\$1,013
\$132,001 - \$133,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143	\$913
\$133,001 - \$134,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$813
\$134,001 - \$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$713
\$135,001 - \$136,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$613
\$136,001 - \$137,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$513
\$137,001 - \$138,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$413
\$138,001 - \$139,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$313
\$139,001 - \$140,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$213
\$140,001 - \$141,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113
\$141,001 - \$142,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

\*Total Taxable Income = Taxable Income from 2015-2016 FAFSA (adjusted gross income if tax filer, #36 independent, #85 dependent, #88 and #89 dependent, or total wages if non-filer, #39 and #40 independent, #88 and #89 dependent)  
 + Total Untaxed Income from 2015-2016 FAFSA (untaxed income, #45 a-j independent, #94 a-i dependent)  
 - Income Exclusions from 2015-2016 FAFSA (additional financial information, #44 a-f independent, #93 a-f dependent)  
 = Total Family 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 Postsecondary Child Care Grant 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 2 (semesters) or 3 (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 \$29,500 and family size of 2 enrolled for 13 semester credits would be \$2,747 annual / 2 semesters = \$1,374 x 13/15 = \$1,191.

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Use the lesser of these three calculations

Minnesota Postsecondary Child Care Grant Calculator 2015-2016 Updated June 2015			
<b>Student's Name:</b>			
<b>Student's SSN:</b>			
<b>Child's Name and Term Calculated:</b>			
<small>(An award calculation form will be completed for each child per term)</small>			
<b>Date and Time of Calculation:</b>		<b>TO RESET FORM, PRESS CTRL+SHIFT+T</b>	
<p>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 <b>what the user enters in cell D22.</b></p>			
<b>Number of Terms/Payment Periods in School's Academic Year =</b> Enter '2' for semester, '3' for quarter			
<b>Number of Weeks in Term for Which Student is Purchasing Child Care Services</b>			
<b>Total Income</b> = Taxed Income (AGI if filers, #36 independent, #85 dependent, or total wages if not filer, #39 and #40 independent, #88 and #89 dependent) + Untaxed Income (FAFSA #45 a-j independent; #94 a-i dependent) - Income Exclusions (FAFSA #44 a-f independent; #93 a-f dependent)			
<b>Students Household Size</b> (from FAFSA Question #95 if independent or FAFSA Question #73 if dependent)			
<b>Maximum Full-Time Term Award from MN Office of Higher Education Chart</b>		#N/A	
<b>Maximum Full-Time Term Award from OHE Chart Inflated by 10% for Infant Care Adjustment</b>	<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	
<b>Number of Credits for Which Student is Enrolled for Term:</b> When credits have a fraction, round down when entering; i.e. 12.5 enter 12			
<b>Maximum Term Award Adjusted for Student's Enrollment Level:</b>		\$0.00	
<b>Actual Child Care Costs Per Week:</b> (Be sure to subtract other child care assistance from gross charges)			
<b>Reported Total Hours of Child Care Per Week:</b>		#DIV/0!	
<b>Hourly Cap for Provider Charges:</b> (Enter \$5 for home day care; \$10 for center care)	\$5	<b>Eligible Weekly Expense if more than 40 hours:</b>	\$0.00
<b>Actual Costs for Term (hourly rate capped at cell C23)</b>		#DIV/0!	
<b>Actual Costs for Term (weekly hours capped at 40)</b>		\$0.00	
<b>Child Care Term Award:</b>		#DIV/0!	
<b>Users of this spreadsheet are responsible for the accuracy of all calculations!</b>			







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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/4.3 = \$ 633 per month
Infant	\$200 week	X 16 weeks	= \$3,200 semester/4.3 = <u>\$ 744</u> per month
			\$1,377 per month

**Postsecondary Child Care Grant Maximum Award**

Toddler	\$2,800 yr/2 = \$1,400 sem	X 14/15 = \$1,306 semester	\$81.63 week X 4.3 = \$351 month
Infant	\$3,080 yr/2 = \$1,540 sem (10% infant care adjustment)	X 14/15 = \$1,437 semester	\$89.81 week X 4.3 = \$386 month
Total Award		\$2,743 semester	\$171.44 week X 4.3 = \$737 month

**Basic Sliding Fee Child Care Assistance**

Toddler	\$156.17 week*	X 4.3 weeks	= \$ 671 month
Infant	\$162.99 week*	X 4.3 weeks	= <u>\$ 701</u> month
			\$1,372 month
			- \$ 46 monthly BSF co-pay
			- <u>\$ 737</u> monthly OHE CCG
Amount of Monthly BSF Assistance			\$ 589

\*Total Recognized Provider Cost (Hennepin County)

**Total Monthly Assistance for Student**

Postsecondary Child Care Grant	\$ 737
BSF Child Care Assistance	<u>\$ 589</u>
Total	\$1,326
Actual Costs per Month	\$1,377



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**2015-2016 Postsecondary Child Care Grant Program Award Notice**

Student's Name	School ID Number
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Congratulations. You have been awarded a Postsecondary Child Care Grant for the 2015-2016 academic year.

**Please read this notice carefully. It is your responsibility to inform the designated office at your institution within 10 days if any of the following changes should occur:**

- change of provider;
- change of provider rates;
- change of child care hours needed;
- receipt of MFIP, Basic Sliding Fee or Transition Year benefits;
- change of family income;
- change of family size;
- change of enrollment level;
- if a parent or legal guardian becomes available to provide child care; and/or
- any changes in your status which may affect your eligibility.

A copy of this award notice along with the provider section of the program application may be sent to the daycare provider. It is the institution's option to disburse funds to either the student or the child care provider. The grant cannot be disbursed before the beginning of each term. The child care provider may ask for payment before service is given, if that is the business arrangement between the student and the provider.

Child's Name	Term Dates	Term Award Total
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
<b>Total Award for the 2015-2016 Academic Year</b>		<b>\$</b>

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 providers when infant care is more costly than care for children of other ages.**



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<b>2015-2016 Postsecondary Child Care Grant Program Denial/Termination Notice</b>
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Student's Name	School ID Number
<p><b>This notice is to inform you that the Postsecondary Child Care Grant for which you applied has been denied or discontinued for the following reason(s):</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Applicant receives Minnesota Family Investment Program (MFIP).</li> <li><input type="checkbox"/> Family income and/or family size exceed limitations.</li> <li><input type="checkbox"/> Applicant is not a Minnesota resident.</li> <li><input type="checkbox"/> Applicant does not meet the school's satisfactory academic progress requirements.</li> <li><input type="checkbox"/> Applicant is not in good standing as determined by the school.</li> <li><input type="checkbox"/> Applicant did not report a change to the financial aid office within 10 days. (Example: change of provider, income, family size, parent or legal guardian at home and available to provide child care, etc.)</li> <li><input type="checkbox"/> Child(ren) over age 12 or over age 14 and not disabled.</li> <li><input type="checkbox"/> Student is not enrolled at least half-time (six credits).</li> <li><input type="checkbox"/> Student is enrolled in a sectarian program.</li> <li><input type="checkbox"/> A parent or legal guardian is available to care for child(ren) during the time that child care is requested.</li> <li><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.)</li> <li><input type="checkbox"/> Applicant is in default on an educational student loan.</li> <li><input type="checkbox"/> Applicant has a baccalaureate degree.</li> <li><input type="checkbox"/> Applicant has been enrolled in postsecondary education for longer than the equivalent of four full-time academic years.</li> <li><input type="checkbox"/> Applicant is using an ineligible child care provider. (If the provider resides in the same home as the student and child, the applicant is not an eligible child care provider for the Postsecondary Child Care Grant Program.)</li> <li><input type="checkbox"/> Other _____</li> </ul>	
<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 request the school to submit a written appeal to the Office of Higher Education (OHE). The OHE will review appeals and determine if the school's actions were in compliance with the program statutes and rules. The decision of the OHE is final. You must first follow the school's appeal procedure before contacting the OHE.</p>	
Name of Financial Aid Administrator	Institution Name
Signature of Financial Aid Administrator	Date (month/day/year)



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**2014-2015 Postsecondary Child Care Grant Program End of Year Report**

<i>Institution Name</i>	<i>Fice Code</i>
<b>2014-2015 Initial Allocation</b>	
July 2014 Allocation	\$0
August 2014 Allocation	\$0
September 2014 Allocation	\$0
December 2014 Allocation	\$0
<b>SUBTOTAL INITIAL ALLOCATION</b>	<b>\$0</b>
<b>2014-2015 Reallocations</b>	
November 2014 Reallocation	\$0
January 2015 Reallocation	\$0
March 2015 Reallocation	\$0
May 2015 Reallocation	\$0
June 2015 Reallocation	\$0
July 2015 Reallocation	\$0
<b>SUBTOTAL REALLOCATIONS</b>	<b>\$0</b>
<b>2014-2015 Refunds</b>	
July 2014 – December 2014	\$0
January 2015 – February 2015	\$0
March 2015 – July 2015 (late refunds)	\$0
<b>SUBTOTAL REFUNDS</b>	<b>\$0</b>
<b>NET TOTAL OF CURRENT 2014-2015 FUNDS</b>	<b>\$0</b>
Minus 2014-2015 funds carried back to 2013-2014	\$0
Plus 2013-2014 funds carried forward to 2014-2015	\$0
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$0</b>
<b>TOTAL # OF STUDENTS</b>	<b>0</b>
<b>TOTAL STUDENT AWARDS</b>	<b>\$0</b>
Administrative Expense Allowance - Optional (limited to 5% of student awards)	\$0
<b>TOTAL STATE FUNDS EXPENDED</b>	<b>\$0</b>
<b>Shortage of Funds. Apply carry-back from 2015-2016 to 2014-2015 (only available the first year of the biennium)</b>	
Maximum funds that could be carried back	N/A
Shortage of funds for 2014-2015	N/A
<b>CARRY BACK FUNDS USED TO COVER SHORTAGE</b>	<b>N/A</b>
<b>Excess funds available for carry-forward from 2014-2015 to 2015-2016 (limited to 10% of 2014-2015 initial allocation)</b>	
Maximum funds that could be carried forward	\$0
Excess funds available for carry-forward	\$0
<b>FUNDS AVAILABLE FOR CARRY-FORWARD TO 2015-2016</b>	<b>\$0</b>
<b>FINAL REFUND TO OHE</b>	<b>\$0</b>
Final refund received date	

You are allowed to carry forward 10% of your initial allocation.

Any refunds received by OHE after March 1<sup>st</sup> will have an adverse effect on next year's allocation amount.

You are allowed to keep up to 5% of your total student awards as an administrative expense allowance.

Not available—carry back is only available the first year of the biennium.

Carry forward amount is limited to 10% of your initial allocation (B8).

Please return this amount to OHE no later than July 31, 2015. Mail to:  
 OHE  
 PO Box 64449  
 St Paul, MN 55164-0449  
**YOU ARE NOT CLOSED OUT UNTIL THIS REFUND IS RECEIVED BY OHE.**







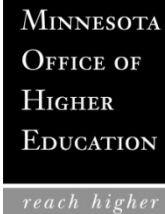


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SECTION <b>Postsecondary Child Care Grant Program</b>	DATE July 2015		

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](mailto:info@ohe.state.mn.us)  
Web: [www.ohe.state.mn.us](http://www.ohe.state.mn.us)  
[www.getreadyforcollege.org](http://www.getreadyforcollege.org)



Date: June 19, 2015

To: Postsecondary Child Care Grant Program Representative

From: Brenda Larter, Program Assistant  
Financial Aid Programs

Subject: Postsecondary Child Care Grant Program – June 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.ohe.state.mn.us/surveys/refRealloc/ccg.cfm](http://www.ohe.state.mn.us/surveys/refRealloc/ccg.cfm)

In order to be considered in the 2014-2015 Postsecondary Child Care Grant Program reallocation process, you must report at the above web site no later than **June 26, 2015**. Please report if you will be sending a refund or need additional Postsecondary Child Care funds.

Number of students on waiting list, you should only report students on a waiting list if you have already awarded your entire allocations. Students with incomplete applications should not be included.

Institutions are allowed to carry forward up to ten percent of your 2014-2015 initial allocation (August, September and December disbursements). Institutions are also allowed to keep up to five percent of your total student awards as an administrative expense allowance. Carry back is not allowed this year, carry back is only available the first year of the biennium.

All refunds/checks should be accompanied by the OHE refund return form to ensure the funds are credited appropriately. The refund return form can be found at: [www.ohe.state.mn.us/mPg.cfm?pageID=1538](http://www.ohe.state.mn.us/mPg.cfm?pageID=1538). 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**

**Any program funds returned to OHE after March 1, 2015, will have an adverse effect on next year's allocation.**

The attached spreadsheet shows:

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Institution Name  
 July Disbursement  
 August Disbursement  
 September Disbursement  
 December Disbursement  
 Initial Allocation  
 November Reallocation  
 January Reallocation  
 March Reallocation  
 May Reallocation  
 December Refund  
 January Refund  
 February Refund  
 Late March Refund  
 Late May Refund  
 Net Disbursements  
 Minus Funds Carried Back from FY15 to FY 14  
 Plus Funds Carried Forward from FY14 to FY15  
 Totals Funds Available  
 Maximum Allowable Carry Forward

If you have any questions, please contact me.

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**Request for Infant Care Adjustment to Postsecondary Child Care Grant**

<b>STUDENT SECTION</b>				
<p>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.</p>				
Student Name	Student ID Number	Date (month, day, year)		
Student Signature				
<b>PROVIDER SECTION</b>				
<p>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 for 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.</p> <p>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.)</p>				
Age Classification	Age Range for Classification	Hourly Rate	Daily Rate	Weekly Rate
Infant				
Toddler				
Pre-School				
School Age				
Student is being billed by the: <input type="checkbox"/> hour <input type="checkbox"/> day <input type="checkbox"/> week				
Date the student's child will no longer be classified as an infant: (month/day/year)				
Provider is a: <input type="checkbox"/> home day care service <input type="checkbox"/> day care center				
County in which provider is located:				
Signature of Day Care Provider			Date Signed (month/day/year)	
<p><b>Note: Student must submit form to the Financial Aid Office to request an adjustment to the Postsecondary Child Care Grant Award.</b></p>				



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<b>2015-2016 Postsecondary Child Care Grant Program Conflicting Information Form</b>
--

Student's Name	School ID Number
Date	
<p>We currently have conflicting information between the income you reported on your FAFSA and your child care costs. In order to process your child care grant application, our office requires the information below. Please estimate to the best of your ability. If an item is zero (\$0), please indicate that on the line. Once you have completed the form, please sign and date it and return the hard copy back to our office at:</p>	
<b>Student's Estimated Monthly Expenses (for Student and Child)</b>	
\$ _____	Rent
\$ _____	Utilities (electric, phone, water, etc.)
\$ _____	Clothing and personal care
\$ _____	Miscellaneous expense (entertainment, etc.)
\$ _____	Car (car payments, insurance, maintenance)
\$ _____	Transportation costs
\$ _____	Groceries
\$ _____	Child care
\$ _____	Other monthly bills, type _____ [ex: credit card]
\$ _____	Other monthly bills, type _____
\$ _____	Other monthly bills, type _____
= \$ _____	<b>Total Monthly Expenses</b>
<p><b>Explanation of how expenses are paid.</b> Please itemize using any income and assets you have. (If you have someone assisting you with expenses, please list that information.) This list should include any support, such as official and unofficial child support, odd jobs or parental support or assistance.</p>	
Student Signature	Date (month/day/year)





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### Provider Verification Form Letter Template

Dear Child Care Provider,

As part of the verification process required for the Postsecondary Child Care Grant program, we are asking you to confirm the information you reported on the child care provider section of the enclosed Postsecondary Child Care Grant application. The student's application will be on hold until you confirm, revise or dispute the information on the enclosed form. This includes notifying our office if you did not sign and provide the information on the student's application. Please sign and mark any revisions on the attached copy and provide the information to our office using one of the methods below.

- Mail: Financial Aid Office  
ABC University  
1800 University Avenue  
Minneapolis, MN 55401  
Attn: Child Care Grant Administrator; **OR**
- E-mail: [childcaregrantadministrator@university.edu]; **OR**
- Fax: [(XXX) XXX-XXXX Attn: Child Care Grant Administrator Name]; **OR**
- Phone: [(XXX) XXX-XXXX Child Care Grant Administrator Name]

Thank you for your assistance.





**Minnesota  
Public  
Safety  
Officer's  
Survivor  
Grant  
Program**

**2015-2016**



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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 is available for 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 or graduate degree or certificate program and not have received the maximum duration of 10 semesters or 15 quarters.

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, \$6,920 semester/\$4,613 quarter; for students in a two-year or less program, \$2,868 semester/\$1,912 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 along with the original application for processing. The institution is also responsible for disbursing program funds to the student and administering the program in compliance with Minnesota statutes, agency rules and procedures.

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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 Agency 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.
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.

### **D. Eligibility to Participate**

#### **1. Postsecondary Institutions**

Minnesota public or private postsecondary institutions eligible to participate in the State Grant program (Minnesota Statutes 136A.101, Subd. 4) are eligible to participate in the Public Safety Officer's Survivor Grant program.



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## **2. Students**

### **a. Enrolled in Eligible Program**

The student must be enrolled in an undergraduate or graduate program leading to a degree or certificate at an eligible Minnesota institution.

### **b. Years of Postsecondary Education**

The student must be enrolled in an undergraduate or graduate degree or certification program. Each award is given the first academic year and is renewable for a maximum of eight semesters or the equivalent.

### **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.

## **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 for the State Grant program, prorated for term length and enrollment level.

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The annual full-time tuition and fee maximums are \$13,840 for students in a four-year degree program and \$5,736 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.

## **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.

Funds returned to the Agency are available for awards to other eligible students.

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## **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.

**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.

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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.

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.

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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 Funds**

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. 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 and amounts 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  
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Governing  
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Survivor  
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Program**



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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;

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- (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 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

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**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;
  - (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:

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- (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, or a graduate degree or certificate program after June 30, 2011, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;
- (3) has not received benefits for the maximum duration specified in subdivision 4; 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:
  - (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. The tuition maximum for graduate study is the maximum established by law for the state grant program for four-year programs.
- (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.
- (d) For the purpose of benefits awarded under this section, "full time" for a graduate program is eight or more credits per term or the equivalent.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

**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

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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 or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term 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 53,54,59,60; 2008 c 363 art 4 s 10; 2009 c 95 art 2 s 36; 2012 c 270 s 12,13; 2013 c 99 art 2 s 25

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 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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## 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 D. Williams*

Commissioner of Public Safety

HECBSOS/072697/477700066/122854





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<b>2015-2016 Public Safety Officer's Survivor Grant Program Application Instructions</b>
--

**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 honorably 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. be enrolled in an undergraduate degree or certificate program or a graduate degree or certificate program at an eligible Minnesota institution;
3. not have received benefits for the maximum of 10 full-time semesters or 15 full-time quarters (a student who withdraws from enrollment for active military service is entitled to an additional semester of grant eligibility); 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 2014-2015 academic year are \$13,000 for students in a four-year degree or graduate program and \$5,808 for students in a two-year degree program.

\*The award amount is based on enrollment level. Therefore, if the student drops or changes enrollment level after disbursement, a refund may be necessary. Please follow State Grant guidelines on 'Adjustments to Award Based on Change in Enrollment Level' to determine if a refund is necessary.

#### **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 Minnesota 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.

# FINANCIAL AID MANUAL

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**Public Safety Officer's Survivor Grant Program**

DATE

July 2015

## Manual Payment Request & Roster

Date: \_\_\_\_\_ School Name: \_\_\_\_\_  
 Program: Public Safety Officer's Survivor Grant School Address: \_\_\_\_\_  
 Payment Requested by: Brenda Larter Fice Code: \_\_\_\_\_  
 (Signature)  
 Warrant Payable to:  Institution

### 2015-2016 Academic Year

Student Name	Vendor Number	Total Award Amount Paid to Date 15-16	Payment Amount	Term	Document Number	Returned Amount	Reason for Return
		\$	\$			\$	
		\$	\$			\$	
		\$	\$			\$	
		\$	\$			\$	
<b>Total Payments:</b>			\$			\$	

<p><b>For Financial Services Use Only:</b></p> <p>E603 1416, E60 1416, 1000 Acct Code 441101</p> <p>Date: _____ Invoice: <b>Safety Officers</b></p> <p>I hereby certify that this payment is in accordance with specifications and is in proper form, kind, amount, and quality, and payment therefore is hereby recommended.</p> <p>Payment approved by: _____                  Signature of Financial Services Official</p>	<p><b>To Be Completed by Institution:</b></p> <p>I verify the amounts listed above have been received and the monies disbursed or returned according to the established program procedures.</p> <p>[Note: Return roster and any refunds to the attention of the Financial Services Unit at Office of Higher Education, at the address shown above.]</p> <p>Signature: _____ Date (Mo/Day/Yr): _____</p>
---	---

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



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# **SELF Loan Program®**



**July 2015**





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## I. SELF Loan Program

### A. Program Overview

The SELF Loan program provides educational loans to Minnesota residents and students attending Minnesota postsecondary institutions. The Minnesota Office of Higher Education (the Agency) requires students to seek other sources of federal, state, institutional and private aid before incurring debt.

The Agency wants students to understand the benefits of federal loans such as:

- no interest payments required during school for subsidized federal loans,
- low fixed interest rates,
- deferments,
- forbearances,
- loan forgiveness, and
- various repayment plans (including income based).

Many of these benefits are not available for the SELF Loan.

#### 1. Loan Servicer

**The Servicer for the SELF Loan program is Firstmark Services. Firstmark** is an agent of the SELF Loan program and services all SELF Loans. Firstmark sends out all disbursements. All billings to students and payments made by students on their SELF Loans are handled by Firstmark. After the student has completely repaid a SELF Loan, including interest, Firstmark will notify the borrower that the loan is paid in full.

**Refer to Appendix 2 for Firstmark contact information.**

### B. Administration Overview

- School signs SELF Participation Agreement with the Agency.
- In order to use the online application, the school needs to contact Firstmark's School Hotline.

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- The school must certify that the applicant is accepted for enrollment or is currently enrolled, is making satisfactory progress, and has met the Maximum Effort Test. The cost of attendance less other sources of financial aid or educational loans must be greater than or equal to the amount of the requested loan. The financial aid administrator should also review the information on the paper application/promissory note for accuracy and completeness. SELF Loan Checklists are included in Appendix 16 to help schools, borrowers and co-signers ensure that applications are complete before sending them to the Agency.
- The Agency conducts an automated review of the co-signer's credit to see if the credit meets the SELF requirements. If the credit is unsatisfactory or insufficient credit exists, the loan will be denied.
- If the co-signer's credit is satisfactory and other eligibility criteria are met then the loan is approved and forwarded to Firstmark for disbursement.
- 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 mailed to the school and made jointly payable to the student and the school.
- 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 13 and 14.
- 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 18 is a Disbursement Checklist.
- 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.
- Applicants who are approved for loans, but not for the amount requested by either the school or the student, will be sent a letter indicating the reason for the reduced amount.

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- The school official certifying the application cannot be the same person who notarizes the co-signer's signature.

## **C. 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;
- 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;
- is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended (refer to exception below);
- 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
- provides data to the Agency on student enrollment and federal and state financial aid.

**Exception:** Schools that participated in state financial aid programs by July 1, 2010, do not need to participate in the federal Pell Grant program; however, their students need to sign the disclosure form included in Appendix 19. This form only needs to be signed one time by the student at each non-federal participating institution the student attends. If the school changes ownership, the school must participate in the federal Pell Grant program within four calendar years from the ownership change.

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

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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 4850.0011-4850.0016.

## **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. For clock hour programs that are at the minimum 300 hours in length, those hours need to represent actual teaching hours excluding lunches, holidays and other closed days.

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 does not 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.

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



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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.

A student taking courses leading to licensure is eligible if the courses ultimately lead to a certificate.

Occupational skills certificate programs are eligible for SELF Loans as long as a certificate is issued and all other eligibility criteria are met. It is recommended that schools provide individual counseling to ensure the borrower and co-signer understand their legal obligation to repay loan regardless of whether the borrower is ultimately employed.

### **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.

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.

High school students taking college courses 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 verify

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that the school has written definitions for half-time and full-time and 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.

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 cannot include the cost of those courses in the cost of attendance.

For students enrolled in two schools, each school can certify a loan if the student is enrolled at least half-time at both schools and the courses will all be credited toward a degree or certificate. The combined loans are subject to the annual grade level maximums of \$7,500 or \$20,000 and the cumulative limits. For students taking courses at another institution, the school certifying the SELF Loan needs to verify that the courses covered by the SELF Loan will count toward a degree program at the primary institution. Verification can be done through a consortium or contractual agreement, e-mail confirmation between schools, or documentation on the transcript verifying enrollment in a degree seeking program. If the student has not yet declared a major, the school certifying the SELF Loan should confirm that the courses will be accepted by the primary institution.

**c. Satisfactory Academic Progress**

The borrower must be making satisfactory academic progress at the time of disbursement. For schools participating in federal financial aid programs it is required that the federal definitions for satisfactory progress which are found in the Code of Federal Regulations Title 34, Sections 668.16(e), 668.32(f) and 668.34 be utilized. The federal definitions are recommended to be used by schools not participating in federal

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financial aid programs. 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 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.

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 resided 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 and, if residing in another state, the student is physically attending a Minnesota postsecondary institution; or
- a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota and, if residing in another state, the student is physically attending a Minnesota postsecondary institution.

If a student graduated from a Minnesota high school but did not live in Minnesota at the time, the student is not considered a Minnesota resident for purposes of the SELF Loan.

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**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. Nonresidents cannot be attending an out-of-state branch of a Minnesota school.

If a nonresident takes out the SELF Loan at a Minnesota school and transfers to an out-of-state school, the student is no longer eligible to borrow from the SELF Loan program.

**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 creditworthy co-signer who is a U.S. citizen or a permanent resident. The co-signer must be prepared to provide proof of citizenship or permanent residency.

Undocumented Minnesota residents are required to complete the Minnesota Dream Act State Financial Aid Application before receiving a SELF Loan.

Foreign 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. Students without a social security number will need to complete a paper application rather than the online application.

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**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. It is up to the school's discretion on how to handle veterans, military or ROTC benefits in determining SELF eligibility. A policy which is consistent for all students should be established regarding the handling of those benefits in relation to SELF Loan certification. It is recommended that all such educational related benefits including those paid directly to students for the loan period be included as estimated financial aid in order to minimize the amount the student is eligible to borrow.

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 his/her financial situation has not changed significantly since applying for financial aid. The FAFSA must be completed the first year at each institution. This waiver cannot be utilized if parents refuse to provide financial information. The student will not be eligible for the SELF Loan if a parent refuses to complete the FAFSA.

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.

The SELF Loan is not subject to child support holds.

**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),

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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.

The school is also expected to determine whether or not the student is in default of previous student loans by:

- checking loan history at the school;
- checking 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.

**i. Delinquency**

In order for new SELF Loans to be approved, the borrower or co-signer must not be currently delinquent on any outstanding SELF Loan. There is a 30-day window for any delinquent accounts to be brought current and have the loan reinstated. Delinquent loans are reviewed at least weekly by the Agency for reinstatement. Subsequent disbursements will be canceled if any SELF Loans are delinquent on the scheduled disbursement date. Firstmark weekly reviews accounts and, if the loan is brought current within 30 days, the disbursement will be rescheduled. Students will need to reapply after the 30 days.

The school and any personnel associated with the school are not permitted to make interest payments on behalf of students in order to enable them to receive additional disbursements or loans.

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**j. Co-Signer**

The borrower must have a creditworthy co-signer as defined by SELF Rules. The SELF Loan does not permit the substitution or release 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.

**l. Registration for Selective Service**

If students do not register for Selective Service, they are still eligible for a SELF Loan.

**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 or APO address must be provided where mail can be sent to the co-signer.

**b. Creditworthy**

A creditworthy 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.

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**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.

**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. The following items can be included in the cost of attendance and must be restricted to charges for the loan period:

- tuition and fees;
- room and board or a reasonable allowance as determined by the school for off-campus living;
- the cost of a computer utilized for educational purposes;
- child care expenses;
- technology fees assessed by the institution; and
- reasonable allowance for books, supplies, transportation and personal expenses.



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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 (including veterans, military and ROTC benefits depending upon school policy) 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. Undocumented Minnesota residents are required to complete the Minnesota Dream Act State Financial Aid Application before receiving a SELF Loan.

The school is also expected to determine whether or not the student is in default of previous student loans by:

- checking loan history at the school;
- checking 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 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.

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**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:

- 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 18 for Disbursement Checklist that may be used);
- for schools that do not participate in the National Student Clearinghouse (Clearinghouse), within 30 days notify Firstmark when a borrower reduces enrollment below a half-time status or discontinues enrollment (refer to Appendix 15). The school should not wait for enrollment verification. The school needs to complete and maintain copies of the periodic Enrollment Verification Reports produced by Firstmark and return reports 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 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 disbursement date, the funds must be returned to Firstmark with a brief explanation of why the loan was not disbursed;

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- 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 requested too early;
- 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);
- exercise care and diligence in all SELF Loan program required activities; and
- maintain a student account as described under the section ‘Student Account Requirement.’

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.state.mn.us](http://www.selfloan.state.mn.us). Students are required to complete online counseling before applying for each SELF Loan. The school either certifies the loan using their school based software or certifies online. The borrower can choose to electronically 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 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. E-mails are sent throughout the application process to remind the borrower and co-signer when action is required. Appendix 20 has a list of loan statuses to assist in determining where the loan is in the process.

The school must contact Firstmark’s School Hotline to utilize the online application.

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The primary advantages of the online application are:

- a co-signer knows immediately if he/she qualifies; if not, 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 applications returned to students for missing or incomplete information.

**e. Paper Applications**

The school receives a supply of paper applications from the Agency (see Appendix 12 to order applications). The student completes the Borrower Section, the co-signer completes the Co-Signer 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 copies. If the borrower or co-signer requests their copies, the school can provide them.

Included as Appendix 4 is the SELF V 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 look for documentation in the student's file on how the recommended loan amount was calculated. Copying the certification screen is not adequate since the screen does not document how the cost was determined.

The school should review the application to verify it is complete before mailing to the Agency. For legal reasons # 7 SELF Loan Amount Requested and #8 Interest Rate Selected must be completed by the borrower. If it appears the school completed either of the boxes, the application will be cancelled and a new application will be required.

**f. 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. Rosters will be sent electronically or can be accessed at [www.firstmarkservices.com](http://www.firstmarkservices.com). If the school

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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 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).

**g. Disbursement of Loan Funds**

Each SELF check is made jointly payable to the student and the school. If the loan period covers more than one term and the application is submitted with enough processing time, up to four disbursements can 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).

If a student decides within 30 days after disbursement that he/she does not 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 by the school 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. The school can disburse the funds as long as the borrower maintained at least half-time enrollment during the entire previous term(s) and was making satisfactory progress. 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.'

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All SELF funds must be disbursed to the student or the student's account within 30 days of the date of the check/ funds transfer or the funds need to be returned to Firstmark. Interest will be billed to the student if funds are returned after 40 days.

**h. Disbursements for Clock-Hour Programs**

Institutions which offer clock-hour programs may disburse the first disbursement of a SELF Loan up to 10 days prior to the student's enrollment in a program. If the student fails to begin classes on at least a half-time basis, then the SELF Loan disbursement must be returned in full to Firstmark. For second and subsequent SELF Loan disbursements, a clock-hour institution may not disburse funds to the student's account until the student has successfully completed the clock hours in the prior payment period. For example, assume a student has agreed to begin a 900 clock-hour program on September 1. The program is comprised of two 450 clock-hour terms. The student has applied for and been approved for a \$7,500 SELF Loan. The institution has certified the loan and asked for two disbursements of \$3,750 each with the first disbursement scheduled to arrive on August 25 and the second disbursement scheduled to arrive at an estimated point in time by which the student should have completed 450 hours. If it becomes clear that the student will not successfully complete the first 450 hours by the date of the second scheduled SELF disbursement, the institution may either receive and hold the funds if it believes the student will reach 450 hours within 30 days **OR** the institution may place a hold on the disbursement at Firstmark and then release the hold after the student successfully completes 450 hours.

**i. 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 Firstmark within 30 days. The school must verify that the student is enrolled at least half-time and making 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

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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 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 Firstmark.

All SELF funds must be disbursed to the student or the student's account within 30 days of the date of the check/ funds transfer or the funds need to be returned to Firstmark. In order to meet that deadline, it is recommended that schools follow up with students who need to endorse checks no later than 20 days from the date of the check.

**j. 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 must be attending at least half-time at the time of disbursement. 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 Firstmark within 30 days from the date on the check/funds transfer. 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 Firstmark.

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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 Firstmark.

All SELF funds must be disbursed to the student or the student's account within 30 days of the date of the check/funds transfer or the funds need to be returned to Firstmark. In order to meet that deadline, it is recommended that schools follow up with students who need to endorse checks no later than 20 days from the date of the check.

**k. Disbursement When Funds Arrive After the Loan Period**

When SELF Loan funds arrive after the loan period, the school must verify that the student was enrolled at least half-time and making satisfactory academic progress. The funds must be disbursed within 45 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.'

Schools can disburse SELF Loan funds to students who have graduated as long as the funds are disbursed within 45 days from the end of the loan period.

While funds may be disbursed within 45 days from the end of the loan period, schools have only 30 days from the date of the check or the date of the funds transfer to disburse SELF funds to the student or the student's account or the funds must be returned to Firstmark.

**l. Disbursement Requiring Power of Attorney Endorsement**

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



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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—it cannot be an employee of the school) 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 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 8.

**m. Return of Loan Funds**

Refer to Appendix 2 for Firstmark’s address to return SELF Loan funds. When returning funds, 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 does not 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 13 and 14.

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**n. 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. It is recommended that the school follow the definition used for federal financial aid programs as defined in 34 CFR 668.22(d). 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. 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. 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. The total of all leaves of absence cannot total more than 180 days in any 12-month period.

If the student is on a school approved leave of absence when funds arrive, the school can disburse funds for any completed terms included in the disbursement. If the student is due to return to school within 30 days from the date on the check/ EFT funds, the school may hold undisbursed funds until the student returns. If the student fails to return, the funds must be returned to Firstmark within 30 days from the date on the check/EFT transfer. If the student does not sign the check within 30 days of the date of the SELF check, the check must be returned to Firstmark.

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 when the student is on an approved leave absence. The remaining balance can be held for up to 30 days or returned to Firstmark. In order to meet that deadline, it is recommended that schools follow up with students who need to endorse checks no later than 20 days from the date of the check.

**Note:** A leave of absence need not consist of consecutive days when granted.

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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 Agency assumes students on approved leaves of absence are eligible for in-school status. Borrowers not in an approved leave of absence will be moved to the Transition Period effective the date their enrollment ceased to be half-time or more.

**o. 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/EFT.

**p. 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 Firstmark 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 Firstmark in accordance with the Office of Higher Education Refund Calculation Worksheet (Appendix 9). If adequate time and minimum loan eligibility (\$500) remains, the borrower may apply for a new loan 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.state.mn.us](http://www.selfloan.state.mn.us). 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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**q. 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. The borrower must have maintained at least half-time enrollment during the entire previous term(s) and have made satisfactory progress. The school should only disburse funds to cover requested living and miscellaneous expenses and amounts owed to the school for completed terms.

If one check or EFT 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, 2016, with a loan period from September 1, 2015, to May 31, 2016, and the second semester started January 25, 2016. The funds arrive at the school on February 14, 2016, and still have not been disbursed when the student withdraws on February 18, 2016. The school can disburse up to half of the 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.

If the check/EFT covers only the one term from which the student withdrew, the school cannot disburse the funds and must return the check/EFT to Firstmark.

**r. 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 Firstmark's School Hotline at 888-756-0075 to request the reinstatement. If the cost of attendance, financial aid received or the loan period changed, new information must be provided to Firstmark. Upon the school's request for reinstatement of the loan, Firstmark will reinstate the loan if it is within 60

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days of the original loan period end date. If it is beyond 60 days, approval should be requested from the Agency. The Agency may request authorization from the co-signer in order to ensure that the co-signer is still willing to be responsible for the loan.

## **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 Firstmark. These reports request information on borrowers' enrollment statuses and expected graduation dates. These reports must be returned to Firstmark 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. Notification of Student Enrollment Changes.**

Schools that do not participate in the Clearinghouse must notify Firstmark 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 15 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 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

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when completing the School Section of the application 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;
- the cost of a computer utilized for educational purposes;
- 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.

### **2. Maximum Loan Amount**

The maximum SELF Loan amount for an undergraduate student is \$20,000 per grade level for students enrolled in bachelor's degree programs, post-baccalaureate or graduate programs subject to a cumulative maximum of \$100,000 for undergraduate and \$140,000 for combined graduate and undergraduate and \$7,500 per grade level for students enrolled

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in all other programs subject to a maximum of \$37,500. For schools offering programs that qualify for different loan limits it is up to the school to determine the eligibility of individual students based on which program the student is enrolled in. If a school certifies a loan for more than \$7,500 and the student is not enrolled in a bachelor or graduate program, the school will be liable any amount over \$7,500.

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. Veterans, military and ROTC benefits are handled in the certification process as prescribed by school policy. 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:

	<u>Bachelor’s and Graduate Programs</u>	<u>Other Programs</u>
Grade level 1:	\$20,000	\$ 7,500
Grade level 2:	\$40,000	\$15,000
Grade level 3:	\$60,000	\$22,500
Grade level 4:	\$80,000	\$30,000*
Grade level 5:	\$100,000	\$37,500*
Grade levels 6-9:	\$140,000	\$37,500*

\*It is expected that students in an associate’s or certificate program will not have a grade level greater than 3. Special approval should be obtained from the Agency for higher levels.

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 Firstmark’s School Hotline at 888-756-0075. Refer to Appendix 17 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

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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, the financial aid 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. A student cannot be classified at a higher grade level just because they are taking longer to complete a program. For instance, a student in their fifth year of a four-year program is still only considered a grade level 4.

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 credits. If the student had completed 46 credits and was applying for a SELF Loan for the next academic year, the institution would be able, at their option, to 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



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earned. Refer to Section F (9), ‘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. Program classifications should be the same as those used for State Grant purposes.

**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. Grade Level Greater than Two in an Associate’s or Certificate Program**

If an associate’s or certificate program is longer than six quarters or four semesters in length for students attending full-time, students can be classified as grade level 3. When students start the fifth semester or seventh quarter they can be considered grade level 3. If the program is only seven quarters or five semesters the cost of attendance for those terms is only based on one semester or quarter and not a full year. Students who take seven quarters to complete a normal six-quarter program or five semesters to complete a four-semester program are not considered as grade level 3.

#### **5. Pre-Requisite Course Work for Transfer Students**

A student is eligible for a SELF Loan 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

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instances where the student has already been accepted into a four-year degree program, the SELF Loan may be certified by the two-year college or the four-year college as long as the college is eligible to participate in the SELF Loan program.

Whichever college awards the SELF Loan 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 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. SELF Loans for this type of course work are limited to no more than 30 semester or 45 quarter credits.

#### **6. Minimum Loan Amount**

The minimum loan amount for all students is \$500.

#### **7. 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 or \$20,000) is not exceeded;
- the cumulative loan debt maximum for that grade level is not exceeded; and
- the amount approved is at least \$500.

#### **8. Multiple Loans: Same Grade Level**

A student may borrow the maximum loan amount (i.e., \$7,500 or \$20,000) twice in the same grade level as long as:

- a total of seven 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.

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**Note:** Because the aggregate borrowing maximum for grade level 1 is the same as the annual borrowing level, it is **NOT** possible to borrow the annual amount twice in grade level 1.

Refer to Appendix 6 for examples of borrowing multiple times at the same grade level.

### **9. 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.

For students who you expect might be able to change grade levels mid-year, we suggest one of the following options:

- 1) 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) ‘Grade Level.’
- 2) 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.
- 3) 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

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grade level sooner. Using option 2 above will allow the borrower to exhaust eligibility at the lower grade level before borrowing at the higher grade level.

**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.

The loan period needs to match the attendance dates. If attendance dates change, the school must contact the Agency to change the loan period and verify continued eligibility. If the start date of the loan period is delayed 60 or more days, the Agency may require the co-signer to reaffirm their willingness to co-sign.

**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.

**10. Reporting Requirements**

All SELF borrowers are to immediately notify Firstmark if they:

- withdraw from school,
- drop to less than half-time status,
- transfer to another school,
- change their address, or
- change their name.

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**11. Interest Rate**

The interest rate for Phase III, Phase IV and Phase V variable loans is calculated every calendar quarter and the rate will vary throughout the life of the loan(s). 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 that the interest rate cannot increase or decrease by more than three percent during any four consecutive calendar quarters.

The SELF V interest rate for the third quarter of calendar year 2015 was calculated as follows:

Average three-month LIBOR rate		0.3%
(Plus) the “margin”	+	3.0%
Equals	=	3.3%

The SELF V fixed rate loan is 6.5% as of July 1, 2015.

Current and historical interest information is available at [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us).

**12. 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.

**13. 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

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eligible school's academic year is divided into quarters, the student's loan amount must be disbursed in three installments, once each quarter.

The loan period should match the State Grant academic year. For programs that are shorter than the academic year, the length of the program would be the loan period. For loan periods which are a full academic year, the disbursements should match the number of terms within the academic year. The Agency reserves the right to determine a more restrictive disbursement schedule on an individual school basis.

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 for the request. Examples of special circumstances include study abroad expenses, required purchase of specialized tools and flight training expenditures.

#### **14. Loan Cancellation**

If a student wishes to cancel his/her SELF Loan, the school or student should contact Firstmark. Refer to Appendix 2 for Firstmark contact 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 Firstmark within 30 days of the date of the check/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 Firstmark.

#### **15. 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.

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**b. Transition Period**

Borrowers who make monthly interest payments during the first 12 months after their enrollment level drops below half-time 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.

- **Standard Plan**

In the Standard Plan, the borrower makes monthly payments of interest only for up to 12 months. Then repayment of principal and interest starts no later than the 13th month after enrollment drops below half-time.

- **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 unless the borrower is required to start repayment sooner. The borrower makes monthly interest-only payments for up to three years instead of one year. With the Extended Interest Plan, repayment of principal and interest starts no later than the 37th month after enrollment drops below half-time.

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 monthly payment on all his/her SELF Loans in repayment status that will pay off the loans in the required time period or \$50 per month, whichever is greater. There is no penalty for prepaying loans.

SELF V Loans are required to start repayment nine years after disbursement. There are three repayment tiers: 10 years for SELF Loan balances under \$20,000; 15 years for balances of \$20,000 up to \$40,000; and 20 years for balances of \$40,000 or greater. All

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of the student's SELF loans are included in the calculation of the repayment term but only the SELF V Loans receive the longer repayment.

Once the borrower enters the Transition Period or the Repayment Period, 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 Period. 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](http://www.firstmarkservices.com) under general loan information. The borrower needs to contact Firstmark to obtain a form requesting return to the in-school status. The form needs to be completed by the borrower and returned to Firstmark and any interest owed needs to be paid. Firstmark will verify school enrollment before the loan will be returned to in-school status.

The borrower can change from the Standard Repayment Plan to the Extended Interest Plan as long as eligibility remains and a mandatory repayment period has not started. The borrower will only be able to utilize the Extended Interest Plan prior to a mandatory repayment period and only for the 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 with a fee of up to \$20 for payments of principal or interest received by Firstmark more than 15 days after the scheduled due date.

Diligence activities are performed by Firstmark starting when the account is 16 days past due. Approximately every 15 days there is a letter or phone attempt to contact the borrower and co-signer. Diligence activities continue until the loan defaults, which occurs when the loan is over 120 days delinquent. If a SELF Loan is 60 days or more



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past due, the delinquency is reported to the credit bureau for both the borrower and co-signer.

**f. Interest Capitalization**

Interest payments during the in-school period that are delinquent in excess of 120 days may be capitalized by Firstmark. Capitalization of past due interest is limited to 180 days of interest.

**g. Forbearance**

A borrower may be granted two 120 day forbearance periods over the life of the loan. The Agency will grant a forbearance upon receipt of a signed request from both the borrower and co-signer.

**h. School Payment of Student Interest**

Schools and school personnel are prohibited from paying interest on a student's loan unless the interest resulted from a late return of funds by the school. Payment of interest by the school artificially delays the default potentially allowing the borrower and co-signer to obtain other financial benefits they are not entitled to.

**i. 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:

- file a revenue recapture claim to intercept the borrower's and/or co-signer's Minnesota state income tax refunds, property tax refunds, special rebates or refunds and lottery winnings;
- 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;

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- add collection fees to the defaulted balance; and
- withhold Minnesota state grant awards and certain other types of aid. If a defaulted loan is sent to a collection agency there is a permanent state grant hold.

**j. 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.

**k. 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 Firstmark.

If the co-signer dies, the borrower is still responsible for repayment.

If, after disbursement of the loan, the borrower becomes totally and permanently disabled, the borrower and co-signer obligation to make any further payment of principal and interest on a SELF Loan is 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 and totally disabled, the borrower may be eligible for a temporary disability status. Upon

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acceptable medical documentation, no interest will accrue and no payments will be required for a limited period of time. The anticipated disability status must be a minimum of four months. The status can be 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 11 is a copy of the SELF Loan Servicing Appeals Process. Appeal information is sent to borrowers with the Disclosure Statement. The appeal process is to be followed if the borrower or co-signer has a problem with Firstmark.

## **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:

- each student borrower attending an out-of-state institution was an eligible Minnesota resident;
- the 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);
- 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. For schools participating in federal financial aid programs it is required that the federal definitions for satisfactory progress which are found in the Code of Federal Regulations Title 34, Sections 668.16(e), 668.32(f) and 668.34 be utilized. The federal definitions are recommended to be used by schools not participating in federal financial aid programs;
- the estimated financial aid and a reasonable cost of attendance were documented for each student (the institution may use a documented, standardized cost of attendance if it wishes); and
- the borrower was eligible for the loan amount recommended by the institution.

The institution must document how the cost of attendance was determined. Copying the certification screen is not adequate since the screen does not document how the cost was determined.

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

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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 Firstmark for those borrowers not currently eligible.

Refer to Appendix 18 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 Firstmark 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 9).

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 if the student's total aid exceeds the cost of attendance. If the student's total aid does not exceed the cost of attendance the refund should go to the student unless the student has requested in writing to have the excess refunded back to the SELF Loan. The school may also reduce future disbursement amounts of the SELF Loan if total aid exceeds the cost of attendance.

**Reminder:** How schools calculate refunds also depends on the school's policy for handling ROTC and VA benefits.

### 4. 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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## 5. Student Account Requirements for State Financial Aid

Schools must maintain a student account for each student. The school must provide the student with an itemized statement of the account at least annually and upon termination of enrollment.

Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those disbursements 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/period of enrollment as applicable, or
- the date the student rescinds his or her authorization to hold funds.

If an account balance remains after paying current year charges, the school may apply funds to satisfy any remaining prior year charges for tuition, fees, room or board and, with written authorization from the student, other educationally related charges.

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 state credit balance by:

- the end of the loan period for state loans, and
- the end of the last payment period in the award year for which they were awarded for any other remaining balance of state financial aid disbursements.

If an institution attempts to disburse funds by check or EFT transaction to the student and the check is returned to the institution or the EFT transaction is rejected, the institution may

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make additional attempts to disburse the funds to the student, provided those attempts take place within 45 days after the funds were returned or rejected. If no additional attempts to disburse funds are made, the funds must be returned to the program within that 45-day period. If an institution attempts to disburse funds by check to the student and the check is not cashed, the institution must return funds to the program within 240 days of the check being issued.

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.

## **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;
- documentation of how the cost of attendance and estimated financial aid were determined;
- 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 and estimated financial aid;
- written documentation of each student's SELF Loan disbursement, including the date of disbursement and a dollar amount disbursed (refer to Appendix 18 for Disbursement Checklist that may be used);

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- records related to student accounts; and
- copies of enrollment verification reports sent by Firstmark 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.state.mn.us](http://www.selfloan.state.mn.us):

- SELFApp online application,
- current and historical SELF interest rates,
- list of participating SELF schools,
- SELF Online Counseling,
- SELF Repayment calculator, and
- link to Firstmark's Web site.

Included in Appendices 1 and 3 is contact information for the SELF Loan Department.

### **K. Financial Aid Administrators Web Page**

A Financial Aid Administrators web page is available. In order to access the web page refer to Appendix 1 to contact the SELF Loan staff for log-in information. Sample forms are available on the web page. The school can select options to customize language for students regarding the self-certification process or the loan application process.

### **L. Online Counseling**

SELF Online Counseling is required for each new loan application. The counseling takes about 10-15 minutes to complete. The student reviews information on the SELF Loan program and then takes a 10-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 the missed questions. 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. Students should start the loan application right after completing counseling in order to avoid being required to complete counseling multiple times. For students who do not have



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access to a computer, a paper form will be provided to the student by the Agency or the school can provide a copy to the borrower. A blank counseling form is provided in Appendix 7. The borrower will be required to sign the counseling form and return it to the Agency in order for the SELF Loan to be approved.

### **M. 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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**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. **Commissioner.** “Commissioner” means the commissioner of the Minnesota Office of Higher Education.

Subd. 5. **Province.** “Province” means the Canadian province of Manitoba.

Subd. 6. **Eligible institution.** “Eligible institution” means an institution that meets the eligibility requirements under section 136A.155.

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 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

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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.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.**

A postsecondary institution is an eligible institution for purposes of sections 136A.15 to 136A.1702, if the institution:

- (1) meets the eligibility requirements under section 136A.103; or
- (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

**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.

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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 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.

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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 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 commissioner deems necessary for the proper administration of the loan programs established and defined by sections 136A.15 to 136A.1702.

Subd. 10. **Commissioner.** Subject to its directives and review, the office may delegate to the commissioner 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.

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**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.
- (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

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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.

- (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;

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- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

**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.

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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.

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.



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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.

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.
- (b) The maximum loan amount to students enrolled in a bachelor's degree program, postbaccalaureate, or graduate program must be determined annually by the office. For all other eligible students, the principal amount of the loan must not exceed \$7,500 per grade level. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans and other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (c).
- (c) (1) The cumulative borrowing maximums must be determined annually by the office for students enrolled in a bachelor's degree program or postbaccalaureate program. In determining the cumulative borrowing maximums, the office shall, among other considerations, take into consideration the maximum SELF loan amount, student financing needs, funding capacity for the SELF program, delinquency and default loss management, and current financial market conditions.
- (2) For all other eligible students, the cumulative borrowing maximums are:
  - (i) grade level 1, \$7,500;
  - (ii) grade level 2, \$15,000;
  - (iii) grade level 3, \$22,500;
  - (iv) grade level 4, \$30,000; and
  - (v) grade level 5, \$37,500.

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Subd. 5. [Repealed, 2010 c 215 art 2 s 21]

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 IV loans, 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 IV loans, 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 IV loans, the loans shall enter repayment no later than seven years after the first disbursement date on the loan.
- (c) For SELF loans from phases after SELF IV, eligible students with aggregate principal loan balances from all SELF phases that are:
  - (1) less than \$20,000, must have a repayment period not exceeding ten years from the eligible student's graduation or termination date;
  - (2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from the eligible student's graduation or termination date; and
  - (3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the eligible student's graduation or termination date. For SELF loans from phases after SELF IV, the loans must enter repayment no later than nine years after the first disbursement date of 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

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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 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 commissioner that is directly related to the responsibilities of the office under this chapter and chapter 141. The commissioner 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

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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 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.

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

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“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.

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:



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- 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 commissioner after the due date.

Subp. 12a. **Commissioner.** “Commissioner” means the commissioner of the office, or office staff who perform duties as assigned by the commissioner.

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 commissioner that lists the duties and responsibilities of both the school and the commissioner.

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;

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- 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.

Subp. 20. **Grade level.** “Grade level” means the relative position of an eligible student in a degree or certificate granting program.

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

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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 commissioner 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.

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.

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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 commissioner 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 commissioner 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 commissioner 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 commissioner 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 adjustment date. The LIBOR rate is determined by the British Banker’s Association. The commissioner may establish other indexes or utilize a fixed rate or maximum rate as provided for in the promissory note.

Subp. 28d. **SELF V loans.** “SELF V loans” means SELF loans where the interest rate on the loan is determined by the commissioner at a margin in excess of a SELF V index rate or is a fixed rate. The SELF V 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

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preceding the interest rate adjustment date. The LIBOR rate is determined by the British Banker's Association. The commissioner may establish other indexes or utilize a fixed rate or maximum rate as provided for in the promissory note.

Subp 28e. **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. 28f. **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

#### **4850.0012 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.**

Subpart 1. **Institutional loan participation agreement.** The eligible school and the commissioner must sign a loan participation agreement that will:

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- 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 commissioner 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. If the commissioner 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;
- 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

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**4850.0014 AMOUNT AND TERMS.**

Subpart 1. **Loan amounts.** The minimum SELF loan amount is \$500.

Subp. 2. **Multiple loans at the same grade level.** A student may borrow up to the maximum amount twice in the same grade level, as long as:

- (1) a total of seven months elapses from the beginning of the first loan period to the beginning of the second loan period;
- (2) the cumulative SELF loan debt maximum for that grade level is not exceeded; and
- (3) the amount approved is at least \$500.

Subp. 3. **Interest rate.**

A. For SELF II loans, the interest rate on the loan will be determined by the commissioner 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 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 commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF program, the commissioner must increase or decrease the margin. The commissioner shall advise borrowers of changes in the margin.

B. For SELF III and SELF IV loans, the interest rate on the loan will be determined by the commissioner 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 commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF program, the commissioner must increase or decrease the margin.

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C. For SELF V loans, the interest rate on the loan will be a fixed rate, a maximum rate provided in the promissory note, or a rate determined by the commissioner at a margin in excess of SELF V index rates, as defined under part 4850.0011, subpart 28d. 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 and automated payments, or other program interest rate reductions. The commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF programs, the commissioner 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 commissioner 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 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.



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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 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 commissioner 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 must endorse the check along with the student within 45 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 remaining proceeds must be returned to the student or retained on account at the election of the student. The school may not keep on account more money than it charges for that payment period without the written permission of the student. If the loan proceeds arrive more than 45 days after the end of the loan period, the school must return the loan proceeds to the commissioner.

**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 commissioner for a student who fails to enroll within 30 days of the payment date.

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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 commissioner 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 commissioner immediately when a student reduces enrollment below a half-time status, but remains enrolled.

**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

#### **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 at least 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

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principal, plus any applicable late charges. The borrower must pay a total of at least \$600 each year on all of the borrower's SELF loans.

- D. Interest payments during the in-school period that are delinquent in excess of 120 days from the billing date may 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 commissioner 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 commissioner shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

**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 commissioner fails to collect a payment from a borrower or the cosigner, a claim must be filed to the bad debt reserve by the commissioner 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 commissioner 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 commissioner upon receipt of proper medical documentation. The borrower's and cosigner's obligation to make any

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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 commissioner.
- 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 commissioner 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.

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

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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 commissioner 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.

**4850.0024 DEFAULTED LOAN REHABILITATION.**

Subpart 1. **Availability.** A defaulted loan rehabilitation option is available for loans which default after 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

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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 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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## Who to Contact

**Minnesota Office of Higher Education 651-642-0567 or toll free at 1-800-657-3866**

*Monday through Friday 8:00 a.m. to 4:30 p.m.*

**Fax Number 651-642-0570    selfloan.ohe@state.mn.us**

- 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.
- Special report requests.

**School Hotline 1-888-756-0075 (Schools ONLY please)**

*Monday through Friday 7:30 a.m. to 4:00 p.m. Central Time*

**Fax Number 1-800-451-2528    schools@firstmarkservices.com**

- 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 toll free at 1-888-295-0713 (Automated 24 hours)**

*Representatives are available: Monday through Friday 7:00 a.m. to 8:00 p.m. Central Time*

*Borrowers can also look up information on their loan via the web site [www.firstmarkservices.com](http://www.firstmarkservices.com)*

- Borrowers or co-signers with questions on Firstmark billing statements.
- Opt-out of e-correspondence.

## Who Does What

### Office of Higher Education

- Review, process and approve applications.
- 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.
- Send disclosure statements to borrowers.

### Firstmark Services

- Send disbursements by check or EFT to the school.
- Bill borrowers, track graduation date, update loan status and perform diligence activities.
- Report borrower and co-signer information to the credit bureaus.
- Check disbursements held due to delinquency to see if eligible for re-issue.







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**Minnesota Office of Higher Education  
Contact Information for the SELF Program**

Borrower and School Phone Lines: (651) 642-0567  
(800) 657-3866

Staff are available Monday through Friday, from  
8:00 a.m. to 4:30 p.m. 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: selfloan.ohe@state.mn.us

SELF Loan Web site: www.selfloan.state.mn.us

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 V LOAN WORKSHEET**

Borrower's Name: \_\_\_\_\_ Loan period: \_\_\_\_\_

This worksheet will assist in completing the **School's Section** of the SELF Loan application.

**Item 18 "Cumulative SELF Loan Debt"** Include all prior SELF Loan debt (except the SELF Loan that is being applied for)

Year                      Dollar Amount

Cumulative SELF Loan Borrowing Limits		
Grade Level	Bachelor's and Graduate Programs	NO CHANGE Other Programs
1	\$20,000	\$ 7,500
2	\$40,000	\$15,000
3	\$60,000	\$22,500
4	\$80,000	\$30,000
5	\$100,000	\$37,500
6-9	\$140,000	\$37,500

**Cumulative SELF Loan Debt** \_\_\_\_\_ **Report this amount in Item 18.**

**Item #19 "Federal Loan Eligibility NOT utilized":** \$ \_\_\_\_\_ **Include both unsubsidized and subsidized and Perkins loans. Do not include PLUS loans.**

**Item 22 "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 22.**

**Item 23 "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 (#21) on SELF application: \$ \_\_\_\_\_

Estimated Financial Aid for Loan Period (#22) on the SELF application: \$ \_\_\_\_\_

Equals (#21 minus #22) \$ \_\_\_\_\_ \*

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 (#18) on the SELF application: \$ \_\_\_\_\_

**Equals... (aggregate limit minus #18)** \$ \_\_\_\_\_ \*



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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**  
(Form cannot be used for families who will not complete the FAFSA)

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. Undocumented Minnesota residents are required to complete the Minnesota Dream Act State Financial Aid Application for the first year.
- \_\_\_\_\_ 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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## SELF Loan Examples – Borrowing Multiple Times at the Same Grade Level

According to SELF Rules, a student may borrow up to the maximum amount twice in the same grade level as long as:

- (1) a total of seven months elapses from the beginning of the first loan period to the beginning of the second loan period;
- (2) the cumulative SELF loan debt maximum for that grade level is not exceeded; and
- (3) the amount approved is at least \$500.

Examples use the Bachelor's and Graduate programs \$20,000 annual limit and cumulative limits:

Grade level 1 – \$20,000

Grade level 2 – \$40,000

Grade level 3 – \$60,000

Grade level 4 – \$80,000

Grade level 5 – \$100,000

<b>Example 1</b>					
	Loan Period	Grade Level	Cumulative SELF Debt	Maximum Loan Eligibility	Comments
<b>Loan #1</b>	9/1/2011 thru 5/31/2012	1	0	\$20,000	Took out \$20,000 SELF Loan
<b>Loan #2</b>	9/1/2012 thru 5/31/2013	2	\$20,000	\$20,000	Took out \$20,000 SELF Loan
<b>Loan #3</b>	9/1/2014 thru 12/31/2014	3	\$40,000 (grade levels 1 and 2)	\$20,000	Took out \$20,000 SELF Loan
<b>Loan #4</b>	1/1/2015 thru 5/31/2015	3	\$60,000 (grade levels 1, 2 and 3)	\$0	Borrower reached the grade level 3 cumulative maximum of \$60,000.

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<b>Example 2</b>					
	Loan Period	Grade Level	Cumulative SELF Debt	Maximum Loan Eligibility	Comments
<b>Loan #1</b>	9/1/2014 thru 5/31/2015	3	\$0 (grade levels 1 and 2)	\$20,000	Took out \$20,000 SELF Loan
<b>Loan #2</b>	1/1/2015 thru 5/31/2015	3	\$20,000 (grade levels 1, 2 and 3)	\$0	Seven months have not elapsed between the start of the loan periods (9/1/14 and 1/1/15) and the full \$20,000 was initially borrowed.
<b>Loan #3</b>	6/1/2015 thru 8/31/2015	3	\$20,000 (grade levels 1, 2 and 3)	\$20,000	Seven months have elapsed between the start of the first approved loan period (9/1/14) and this requested loan period ((6/1/15). The borrower is able to borrow twice at grade level 3 for a total of \$40,000 since the cumulative grade level 3 loan limit of \$60,000 has not been exceeded. Took out \$20,000 SELF Loan

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## SELF Loan Counseling

You must complete and return the Acknowledgement page for your loan processing to begin.

### Let's Begin

The Minnesota Office of Higher Education, a state agency, is the only lender for SELF Loans.

The SELF Loan is not a federal loan, but rather a state loan, unique to Minnesota. Taking on student loan debt is a big responsibility. Make sure you fully understand your responsibilities before applying for the SELF Loan or any other student loan.

Key Points You Need to Know:

- Before borrowing see if you qualify for federal or state grants.
- Federal loans may be more beneficial for you.
- Borrow only what you need. Remember, this isn't free money.
- You need to pay interest while you are in school and then repay what you borrowed.
- Co-signers are required to make payments if you don't.
- There are no deferments. Forbearance and repayment options are extremely limited.

### What Should I do Before Applying for the SELF Loan?

#### **Check Out Your Grant Options**

Finance your education with free money first. You don't have to repay grants, scholarships, or work-study. You are required to complete the Free Application for Federal Student Aid (FAFSA) to determine whether you qualify for federal or state grants unless you are a graduate student or attending a school that does not participate in federal or state grant programs.

#### **Check Out Your Federal Loan Options**

Before you apply for the SELF Loan make sure you look into any [federal education loans \(www.federalstudentaid.ed.gov\)](http://www.federalstudentaid.ed.gov) you may be eligible for. You should understand these benefits of federal loans:

- No interest payments required during school for subsidized federal loans
- Low fixed interest rates
- Deferments
- Forbearances
- Loan forgiveness
- Various repayment plans (including income-based)

Many of these benefits are unavailable for the SELF Loan.

#### **Borrow Only What You Need**

Finally, borrow as a last resort and only borrow what you need. You don't have to borrow the maximum amount you are eligible for. Using savings and earnings can reduce the amount you need to borrow.

### What are the Costs for a SELF Loan?

The SELF Loan is money that needs to be paid back to the lender, the Office of Higher Education. It's not a scholarship or grant. In addition to paying back the loan you also need to pay interest in order to use the money. Your interest rate will depend on whether you choose the fixed- or variable-rate SELF Loan. Once you select which type of interest rate you want you can't change your mind. As of July 1, 2015, the variable interest rate is 3.3%. The interest rate can change quarterly (every three months). The interest rate can increase or decrease but will not change more than 3% during any 12-month period. [More information about how the interest rate is calculated \(http://www.selfloan.state.mn.us/selfFAQ.cfm#rate\)](http://www.selfloan.state.mn.us/selfFAQ.cfm#rate).

The fixed interest rate is 6.5% as of July 1, 2015, and won't change over the life of the loan.

Deciding whether you want a fixed or variable interest rate depends on your desire to know what the rate will be over the life of the loan versus having a lower rate to start with. How much you borrow and when you anticipate repaying the loan can also influence your decision. Check out our [Calculator \(https://www.selfloan.state.mn.us/ssl/SELFCalc/index.cfm\)](https://www.selfloan.state.mn.us/ssl/SELFCalc/index.cfm) to estimate your in-school interest payment and your payments after school.

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### What are the Repayment Requirements for the SELF Loan?

The SELF Loan was designed to make repayment manageable by dividing it into three periods:

- In-School Period
- Transition Period
- Repayment Period

You must start repaying your SELF Loan no later than nine years from when you received the money even if you are still in school or a Transition Period.

#### **The In-School Period**

In the In-School Period, you are required to make quarterly interest payments. The In-School Period begins when you receive the money and continues as long as you're enrolled at least half-time in a participating school and aren't in a mandatory Repayment Period. You can stay In-School status if you transfer to another school as long as the new school participates in the SELF Program. [View a list of participating SELF schools](http://www.selfloan.state.mn.us/selfSchools.cfm) (<http://www.selfloan.state.mn.us/selfSchools.cfm>).

If you return to a SELF member school at least half-time within three years after you leave school or within three years after your enrollment drops below half-time, your loan may be returned to the In-School status. You will need to contact the loan servicer, Firstmark Services to see if you are able to return to In-School status.

#### **The Transition Period**

In the Transition Period you are required to make monthly interest payments. The 12-month transition period begins:

- upon graduation,
- if your enrollment drops to below half-time, or
- if you transfer to a non-SELF school.

#### **The Repayment Period**

In the Repayment Period you are required to make monthly payments of principal and interest. The Repayment Period starts at the end of the 12-month Transition Period or nine years after you took out the loan whichever is earlier.

You have two repayment options:

- The Standard Plan requires monthly payment of principal and interest starting 13 months after you leave school or attend less than half-time.
- The Extended-Interest Plan allows you to continue with two more years of monthly interest payments before starting to repay the amount you borrowed. While the Extended-Interest Plan extends the transition period, it shortens the repayment period by two years. This means your payments may be larger when you start repaying your loan.

How long you have to pay off the loan depends on how much you borrow from the SELF program. You have up to 10 years to repay your loan if you borrowed less than \$20,000. If you borrowed between \$20,000 and \$40,000, you have 15 years. For \$40,000 or more, 20 years. The minimum payment is \$50 a month.

### What do I Need to Know about Repaying the SELF Loan?

You are responsible for repaying your SELF Loan even if you don't complete your educational program, aren't satisfied with your education, or are unable to find a job. Your co-signer is responsible for making payments if you are unable to do so or do not make them.

- You need to pay interest every three months while you are in school starting within 90 days from when you receive the money.
- You must start repaying your SELF Loan no later than nine years from when you received the money.
- There are no grace periods or deferment options.
- SELF Loans cannot be included in a federal government loan consolidation.
- There is no penalty for early payment.
- You and your co-signer will have consequences if the loan is past due or defaults.
- There is no co-signer release or changing of co-signers.



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### What happens if I change schools or enroll in a graduate program?

If you transfer to another school or go on to graduate school, you can make interest only payments if:

- you transfer within three years from when you leave school or attend less than half-time;
- have not entered a required repayment period;
- you are enrolled at least half-time; and
- the new school is eligible. [View a list of schools participating in the SELF program \(http://www.selfloan.state.mn.us/selfSchools.cfm\)](http://www.selfloan.state.mn.us/selfSchools.cfm).

### Can I capitalize my SELF interest instead of making quarterly payments?

The SELF Loan does not allow you to add your in-school interest onto your loan balance like some other student loan programs do.

There are benefits of paying interest while in school:

- the overall amount of interest you pay will be less and
- quarterly bills keep you aware of your loan balance and the interest cost of your loan.

### Who is the Loan Servicer for SELF Loans?

Firstmark Services is the loan servicer for the SELF Loan. Firstmark will send money to your school, send you bills, record your payments, and contact you and your co-signer if payments are not made. You and your co-signer must contact Firstmark Services for any name, mailing address, e-mail address, or phone number changes.

### What Happens If I Don't Make My SELF Loan Payments When I am in School?

- Any scheduled loan disbursements to your school will be cancelled if you aren't making your required SELF Loan payments.
- You may not be able to register for classes if you have outstanding bills to the school as a result of your disbursement being cancelled.
- Your loan can default while you are in school if you don't make your payments.
- If you default on your SELF Loan, your Minnesota State Grant funds can be withheld

### What Happens If I Default?

If you or your co-signer are delinquent on any SELF Loan payment beyond 120 days or if you have failed to meet any of the other conditions, the loan will default. Filing for bankruptcy can put you in default. In most cases, student loans are not discharged by filing bankruptcy.

If your loan should default, the Office of Higher Education can take the following actions:

- Report the default to the credit bureau
- Take money out of your paycheck
- Take money out of your bank account
- Get a court judgment against you
- Take your tax refund
- Turn your loan over to a collection agency with collection fees added to the balance
- Hold or cancel your Minnesota State Grant

Defaulting on your SELF Loan can make it difficult for you or your co-signer to borrow money to purchase a car, a home, or even obtain a credit card. Many employers look at credit reports to evaluate the integrity of prospective employees.

In order to make sure you understand the key points please acknowledge you have read the above information by completing the signature page at the end of this counseling and return it to our the Office of Higher Education.



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## SELF Loan Counseling Acknowledgement

Please complete the information below acknowledging that you have read and understand your financial responsibility of borrowing a SELF Loan from the Minnesota Office of Higher Education.

**Borrower Name:** \_\_\_\_\_  
(PRINT CLEARLY)

**Birth Date:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Borrower Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Please keep this completed form with your paper application.** If you do not have the paper application you can submit this completed form by one of the following options.

Mailing Address: Minnesota Office of Higher Education  
PO Box 64449  
St. Paul, MN 55164

Fax Number: (651) 642-0570

Scan and E-mail: selfloan.ohe@state.mn.us

Parti ID: \_\_\_\_\_



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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 hand signing or electronically 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);
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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## MN Office of Higher Education Refund Calculation Worksheet

### USE FOR FULL WITHDRAWAL (or drop below minimum enrollment level) AT SCHOOLS CHARGING BY TERM OR CLOCK HOUR PAYMENT PERIOD

This form is available in spreadsheet format at: <http://www.oh.edu.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for all state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students by the term or payment period. (Note: Refunds are never required for the State Work Study program.)

**Student Name:**  **SSN:**

**Did student totally withdraw from school? (enter Yes/No)**   
**Date of student withdrawal or change in enrollment level:**

#### PART I – DETERMINING AMOUNT OF NET REFUND

- A.** Amount of financial aid and cash received to date for the term or clock hour payment period, including any post-withdrawal disbursements of Title IV financial aid applied to institutional charges. Include cents. If funds exceed the original institutional charges\* for the term or clock hour payment period, enter the amount of original institutional charges only. To determine the amount of financial aid applied to the clock hour payment period, see corresponding [OHE Refund Calculation Spreadsheet](#). **A**
- B.** Subtract amount of original institutional charges for the term or clock hour payment period the school can retain per its institutional or state-mandated refund policy. **B**
- C. = GROSS REFUND**  
If gross refund is less than or equal to zero, then no refund is due state financial aid programs. **C**
- D.** Subtract amount of institutional share of any required refund for Title IV financial aid programs from Step 5 Box O) of Return of Title IV Funds Refund Worksheet. Enter 0 if no Title IV refund is due. **D**
- E. = NET REFUND**  
If net refund is less than or equal to zero, then no refund is due state financial aid programs. **E**

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

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**PART II – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received for the term or clock hour payment period. Include only programs requiring refunds when a student withdraws from school or drops below minimum enrollment level. For SELF Loans, use the total loan divided by the number of attendance periods in the loan period. Do NOT include work study awards. Clock hour schools should refer the example shown in the corresponding [OHE Refund Calculation Spreadsheet](#) to calculate an hourly rate for aid disbursed and apply those percentages to the net refund on Line E above.

Program Name	Amount Disbursed	%	% of Non-Title IV Aid Package <small>(For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665%=45.67%)</small>	Refund(s) to State Financial Aid Programs <small>(Multiply Part I, Line E by % of Non-Title IV Aid Package for each program and round to nearest dollar)</small>
1 State Grant	\$	%	\$	\$
2 Postsecondary Child Care Grant	\$	%	\$	\$
3 Safety Officer's Survivor Grant	\$	%	\$	\$
4 SELF Loan	\$	%	\$	\$
5 MN Indian Scholarship	\$	%	\$	\$
6 MN GI Bill	\$	%	\$	\$
7	\$	%	\$	\$
8	\$	%	\$	\$
9	\$	%	\$	\$
<b>TOTAL</b>	\$	%	<b>100.0%</b>	\$

**WHERE TO RETURN REFUNDS:**

SELF Loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE 68501

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Refunds for MN Indian Scholarship as well as post-closure refunds for State Grant and Child Care Grant should be returned as individual refunds to OHE on the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>. Refunds for other state financial aid programs should also be sent directly to OHE on the Refund Return Form.



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## MN Office of Higher Education Refund Calculation Worksheet

**USE FOR FULL WITHDRAWAL (or drop below minimum enrollment level) AT  
SCHOOLS CHARGING UPFRONT FOR PROGRAM**

This form is available in spreadsheet format at: <http://www.oh.edu.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for all state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students upfront for the entire program and whose refund policies are based on the percentage of the program completed. (Note: Refunds are never required for the State Work Study program.)

**Student Name:**  **SSN:**

**Did student totally withdraw from school? (enter Yes/No)**   
**Date of student withdrawal or change in enrollment level:**

### PART I – DETERMINING AMOUNT OF NET REFUND

- A.** Amount of financial aid and cash received to date for the entire program, including any post-withdrawal disbursements of Title IV financial aid and funds disbursed to the student for living expenses. Exclude federal or state work study funds. If funds received to date for the program exceed the original institutional charges\* for the program, cap Line A at the amount of the original institutional charges for the program. Include cents. (See example in corresponding [OHE Refund Calculation Spreadsheet.](#)) **A**
- B.** Amount of original institutional charges for the program the school can retain per its institutional or state-mandated refund policy. - **B**
- C. A – B = GROSS REFUND**  
If gross refund is less than or equal to zero, then no refund is due state financial aid programs. = **C**
- D.** Amount of institutional share of any required refund for Title IV financial aid programs from Step 5 Box O) of Return of Title IV Funds Refund Worksheet. Enter 0 if no Title IV refund is due. - **D**
- E. C – D = NET REFUND**  
If net refund is less than or equal to zero, then no refund is due state financial aid programs. = **E**

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

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**PART II – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received to date during the student's program and for the current aid year including any funds disbursed to the student for living expenses. Include only programs requiring refunds when a student withdraws from school which can include institutional and private scholarships or other forms of non-Title IV aid. Do NOT include work study awards.

Program Name	Amount Disbursed to Date for Student's Entire Program	%	% of Non-Title IV Aid Package <small>For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665=45.67%)</small>	Refund(s) to State Financial Aid Programs <small>(Multiply Part I, Line E by % of Non-Title IV Aid Package for each program and round to nearest dollar.</small>	Note: If calculated refund amounts exceeds amount disbursed from that program during the current aid year, cap the refund and return only the amount disbursed during the current aid year.
1 State Grant	\$	%	%	\$	
2 Postsecondary Child Care Grant	\$	%	%	\$	
3 Safety Officer's Survivor Grant	\$	%	%	\$	
4 SELF Loan	\$	%	%	\$	
5 MN Indian Scholarship	\$	%	%	\$	
6 MN GI Bill	\$	%	%	\$	
7	\$	%	%	\$	
8	\$	%	%	\$	
9	\$	%	%	\$	
<b>TOTAL</b>	\$		<b>100.0%</b>	\$	

**WHERE TO RETURN REFUNDS:**

SELF Loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE 68501

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Refunds for MN Indian Scholarship as well as post-closure refunds for State Grant and Child Care Grant should be returned as individual refunds to OHE on the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>. Refunds for other state financial aid programs should also be sent directly to OHE on the Refund Return Form.

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**MN Office of Higher Education Refund Calculation Worksheet**  
**USE FOR PARTIAL WITHDRAWAL (MN State Grant, Postsecondary Child Care Grant, Safety Officer's Survivor Grant)**

This form is available in spreadsheet format at: <http://www.ohc.state.mn.us/mPg.cfm?pageID=1538>

This form should be used to calculate refunds for the MN State Grant, Postsecondary Child Care Grant and Safety Officer's Survivor Grant programs when the student changes enrollment level at a credit-hour institution that charges by the term but is still enrolled at or above the minimum enrollment level for each program.

**Student Name:**  **SSN:**

**Date of student's change in enrollment level:**

**PART I – DETERMINING AMOUNT OF NET REFUND**

**A.** Amount of financial aid and cash received to date for the term, including any post-withdrawal disbursements of Title IV financial aid applied to institutional charges.\* Include cents. If funds received exceed the original institutional charges, enter the amount of original institutional charges only. A

**B.** Amount of original institutional charges the school can retain per its institutional or State-mandated refund policy.\* - B

**C. A – B = GROSS REFUND**  
 If gross refund is less than or equal to zero, then no refund is due state financial aid programs. = C

\*The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended and 34 CFR 668.22.

**PART II – DIFFERENCE BETWEEN ORIGINAL AND REVISED STATE FINANCIAL AID AWARDS**

	Credits	State Grant Award	Child Care Grant Award	Safety Officer's Survivor Award
<b>Original Enrollment Level:</b>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<b>Revised Enrollment Level</b>	<input type="text"/>	- \$ <input type="text"/>	- \$ <input type="text"/>	- \$ <input type="text"/>
<b>AWARD DIFFERENCE</b> (Original minus Revised)		= \$ <input type="text"/>	= \$ <input type="text"/>	= \$ <input type="text"/>

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**PART III – DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS**

List all non-Title IV financial aid received to date for the term. Include only programs requiring refunds when a student changes enrollment level but is still enrolled at or above the minimum enrollment for the program.

	Program Name	Amount Disbursed	%	% of Non- Title IV Aid Package <small>(For each program divide amount disbursed by total disbursed and round to two decimal places, (45.665%=45.67%)</small>	Proportional Share of Refund*	Refund for Partial Withdrawal  <small>(Lesser of program Award Difference in Part II or Proportional Share of Refund)</small>
1	State Grant*	\$	%	%	\$	\$
2	Postsecondary Child Care Grant*	\$	%	%	\$	\$
3	Safety Officer's Survivor Grant	\$	%	%	\$	\$
4		\$	%	%	\$	\$
5		\$	%	%	\$	\$
<b>TOTAL</b>		<b>= \$</b>	<b>=</b>	<b>100.0%</b>	<b>\$</b>	<b>\$</b>

**WHERE TO RETURN REFUNDS:**

State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. Post-closure refunds for these programs as well as refunds for the Safety Officer's Survivor Grant should always be sent directly to OHE using the Refund Return Form downloadable from: <http://www.ohe.state.mn.us/mPg.cfm?pageID=1538>.

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**SELF Loan Status Definitions**  
**www.firstmarkservices.com**

Status Descriptions	Status Definitions
Bankruptcy Adversarial	The borrower/co-signer has filed an Adversarial bankruptcy petition.
Bankruptcy Chapter 7	The borrower/co-signer has filed a Chapter 7 bankruptcy petition.
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 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 13	The borrower/co-signer has filed a Chapter 13 bankruptcy petition.
Cancelled	The entire loan has been cancelled.
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.
Claim Filed	The loan is past due more than 120 days to the Agency.
Claim Filed Monthly Interest	The loan with Monthly Interest Payments Due is past due more than 120 days.
Claim Filed Quarterly Interest	The loan with Quarterly Interest Payments Due is past due more than 120 days.
Death	Death certificate has been received.
Default	The loan has defaulted and remains with 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.
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.

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Status Descriptions	Status Definitions
Denied	The application has been denied due to not meeting program requirements.
Disability	Permanent disability certificate has been received.
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.
Forbearance	The borrower is experiencing personal difficulties and has requested a suspension of payments for a short period of time.
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.
Pre Origination	School certification has been transmitted to the Agency. A signed application needs to be sent to the Agency.
PreOrig-Awaiting Cos Sig	A loan is 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 promissory note to the Agency.
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-Cancelled	When a borrower cancels a loan application started through SELFApp, using SELFApp. Can be cancelled anytime prior to Origination/Approval.
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-Co-signer Requested	A loan is started through SELFApp but not complete. A co-signer has been requested but has not yet agreed to co-sign.
PreOrig-Credit Research	A loan is 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."

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Status Descriptions	Status Definitions
PreOrig-Denied	A SELFApp co-signer was denied during the credit decision process. The loan is denied.
PreOrig-Incomplete	A loan is started through SELFApp but not complete. It is missing loan information, a credit check and school certification.
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-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.
Pre Paid in Full	The final payment has been received on the loan and is waiting for the check to clear the banking system.
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.





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## SELF Loan Servicing Appeals Process

To ensure quality service to you, we have selected Firstmark Services as our agent to service your SELF Loan. If you have a question about your SELF Loan, please contact Firstmark Services through one of the methods listed below:

Borrower Number: 1-888-295-0713 Monday through Friday 7:00 a.m. to 8:00 p.m. Central Time  
E-mail: customer.service@firstmarkservices.com  
Fax: 1-866-258-9222

Mailing Address: Firstmark Services  
Attn: Private Loans  
PO Box 82522  
Lincoln NE 68501-2522

Payment Address: Firstmark Services  
P O Box 2977  
Omaha, NE 68103-2977

Internet: [www.firstmarkservices.com](http://www.firstmarkservices.com)

If you have concerns about your SELF Loan which you are unable to resolve with Firstmark Services, you are encouraged to utilize the following Appeals Process:

Send a letter to: Minnesota Office of Higher Education  
SELF Loan Department  
P O Box 64449  
Saint Paul, MN 55164

Include: Date  
Name, Address, and Phone Number  
Parti ID  
Summary of the issue with your SELF Loan

Firstmark Services and the Minnesota Office of Higher Education Appeals Team will jointly review your letter. You should receive a response within three weeks unless additional time is needed to research your appeal. The response will be from either Firstmark Services or the Office of Higher Education. It is important to both the Office of Higher Education and Firstmark Services that your SELF Loan is properly serviced.

Thank you for using the SELF Loan to assist in funding your education.



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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”***

*Supplies can be ordered at [https://www.selfloan.state.mn.us/ssl/de\\_inst\\_1.cfm](https://www.selfloan.state.mn.us/ssl/de_inst_1.cfm)  
or the items marked with \*\* are available online for you to print.*

Supply	Qty.
SELF Loan® Application ( <i>full box contains 165 applications</i> )	_____ Boxes    _____ Singles
SELF Loan® Paper Application Checklist**	
SELF Loan® Brochure	
SELF Loan® Fact Sheet**	
SELF Loan® Adhesive Notes ( <i>50 sheets per 1 pad</i> )	Pads

SELF Loan® Manual for Financial Aid Administrators can be downloaded at:  
[https://www.selfloan.state.mn.us/ssl/de\\_inst\\_1.cfm](https://www.selfloan.state.mn.us/ssl/de_inst_1.cfm)

<b>School Name:</b>	
Name:	Attn: Financial Aid Office
Address:	
Phone and E-Mail:	
School Code/Vendor #:	

***If not ordering online, please 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](mailto:selfreturns@firstmarkservices.com)

**NAME OF SCHOOL:** ABC School

**VENDOR NUMBER:** 001234

**YOUR NAME:** David Jones

**E-MAIL ADDRESS AND CONTACT NUMBER:** [jones@ohesl.com](mailto:jones@ohesl.com) **800-123-4567**

STUDENT NAME	LAST 4 DIGITS OF SSN	AMOUNT
John Doe	7000	\$3,000.00

DISBURSEMENT DATE	LOAN PERIOD
09/05/15	09/01/15 - 05/21/16

**REASON FOR RETURN:** Student withdrew from school.

**CHANGES NEEDED (REISSUE OR CANCEL FUTURE DISBURSEMENTS):** Cancel loan and any future disbursements.

STUDENT NAME	LAST 4 DIGITS OF SSN	AMOUNT
Jane Doe	9000	\$2,500.00

DISBURSEMENT DATE	LOAN PERIOD
08/28/15	08/28/15 - 04/02/16

**REASON FOR RETURN:** Student delayed enrollment until Spring 2016.

**CHANGES NEEDED (REISSUE OR CANCEL FUTURE DISBURSEMENTS):** Reissue EFT on 01/13/16.

STUDENT NAME	LAST 4 DIGITS OF SSN	AMOUNT
Sally Doe	2000	\$632.00

DISBURSEMENT DATE	LOAN PERIOD
09/20/15	09/15/15 - 5/21/16

**REASON FOR RETURN:** Incorrectly certified for \$4,500.00.

**CHANGES NEEDED (REISSUE OR CANCEL 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** **LAST 4 DIGITS OF SSN** **AMOUNT**

**DISBURSEMENT DATE** **LOAN PERIOD**

**REASON FOR RETURN:**

**CHANGES NEEDED (REISSUE OR CANCEL FUTURE DISBURSEMENTS):**

---

**STUDENT NAME** **LAST 4 DIGITS OF SSN** **AMOUNT**

**DISBURSEMENT DATE** **LOAN PERIOD**

**REASON FOR RETURN:**

**CHANGES NEEDED (REISSUE OR CANCEL FUTURE DISBURSEMENTS):**

---

**STUDENT NAME** **LAST 4 DIGITS OF SSN** **AMOUNT**

**DISBURSEMENT DATE** **LOAN PERIOD**

**REASON FOR RETURN:**

**CHANGES NEEDED (REISSUE OR CANCEL FUTURE DISBURSEMENTS):**

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**Send checks to:**

Firstmark Services  
P.O. Box 82522  
Lincoln, NE 68501-2522





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## SELF Borrower's Verification of Enrollment Form

Borrower's Name:	
Last 4 Digits of SSN:	
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 82522  
Lincoln, NE 68501-2522  
Fax Number: 1-866-258-9233



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# SELF Loan<sup>®</sup>

## Paper Application 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 that #7 is altered in anyway, you will be required to complete a new application.**
- Did you select an Interest Rate option in #8? (**REQUIRED**)
- If it appears that #8 is altered in anyway, you will be required to complete a new application.**
- Did you sign your application in #11?
- 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.*)
- Make sure to complete and return the Private Education Loan Applicant Self-Certification form located behind the carbon copies of the application promissory note.

Make sure you have completed the SELF Loan online counseling at [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us) prior to returning the application to the school. If you are unable to complete counseling online, contact OHE at 651-642-0567.

**CO-SIGNERS:**

- Is your section fully completed?
- Is your name clearly written or typed in #12a?
- Is your correct and complete Social Security Number provided in #12b?
- Is #12e fully completed **with ID Number if needed?**
- Did you complete #12f with your relation to the person in #1?
- Did you sign #13 in the presence of a Notary?
- Did the Notary stamp or seal #13?

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 5 days after the end of the loan period.  
(*Loan period can be found in the bottom school section #16 of your application.*)



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## Online Application Checklist

A co-signer is **REQUIRED** for the SELF Loan.

### Student

- Go to [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us) to begin the online application process.
- Complete the online counseling.
- Students who have not previously used the online process must set up a New User account.
- Select whether to receive correspondence electronically or by mail. If the student chooses to receive electronic correspondence, all SELF Loan bills (including bills for existing loans) will be received via e-mail—they will no longer be mailed.
- Follow the school instructions for completing the Applicant Self-Certification form. If there are no school instructions, you will be notified to complete the Applicant Self-Certification form after the school certifies the loan.
- Enter the co-signer information. Be sure to write down Application Reference ID.

### Co-signer

- After receiving the Application Reference ID from the student or via e-mail, go to [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us) to complete co-signer section of the application.
- Co-signers who have not previously used the online process must set up a New User account that is different from the student's.

### Approval Disclosure

- After the SELF Loan Department receives either the electronically-signed application or the hand-signed application, an Approval Disclosure will be sent by mail or e-mail advising the student to login to their online account to view the disclosure.
- Students can accept using one of the following options:
  - Login to your online application to accept the Approval Disclosure.
  - Go to [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us), click on Manage Your Loan, then Accept My Loan. The parti id and note id in the disclosure are needed to accept the loan.
  - Call OHE at 651-642-0567 or 1-800-657-3866.

### School Certification

- School certifies the loan after the student has accepted it.

### Applicant Self-Certification

- Students who selected e-correspondence will be notified by e-mail to complete the Applicant Self-Certification form.
- Students who did not select e-correspondence will be mailed an Applicant Self-Certification form with the Approval Disclosure. The Applicant Self-Certification form should be completed and returned to the SELF Loan Department.

### Final Disclosure Notice

- After all documentation has been received and the loan is approved, the Final Disclosure Notice will be mailed or e-mailed. The student should review the disclosure; however, no action is needed unless the student wants to cancel the loan. The first disbursement date will be at least two weeks from the date of the disclosure depending on when the term starts.



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**Reports available for schools on [www.firstmarkservices.com](http://www.firstmarkservices.com):**

- **Loans Pending Certification:**  
Lists loans that need to be certified by the school.
- **Funding Roster:**  
Lists loans scheduled for disbursement on a specific date (date is specified by the school user).
- **Loan Detail Report:**  
Lists all loans in detail.
- **Disbursement Summary Report:**  
Lists the disbursement date as well as the gross and net amount. The report pulls disbursements for a 12 month period.
- **Borrowers Pending Graduation:**  
Lists loans having an anticipated graduation date within 90 days of the current date.
- **Loans Pending Funding:**  
Lists loans with a pending disbursement.  
\* The next payment due date is available within the report to view delinquent loans.
- **Applications Pending Approval:**  
Lists loans in a pre-origination status.
- **Commonline – Loans Pending Certification:**  
Lists loans that have not been certified by the school where the school is using “Report Method” to certify.

**Reports sent to schools by the Agency:**

- **The Agency SELFApp Pending Acceptance:**  
Identifies any loans that the student has not accepted.
- **The Agency SELFApp School Certifications Pending:**  
Identifies loans that need to be certified by the school in order for the loan origination process to continue.

**Correspondence sent by the Agency to schools:**

- A daily letter showing pending disbursements that are being held because of delinquency.
- A daily listing of letters sent to borrowers or co-signers.

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**E-mails sent to schools:**

- **Online:**  
When a loan enters pending certification status or continues to stay in pending certification status, an automated e-mail is sent to the school letting them know they have loans pending certification and to log onto [www.firstmarkservices.com](http://www.firstmarkservices.com) to certify or deny the loan.
- **CommonLine:**  
When a loan changes into pending certification status, or if "Initiate School Cert" is set on the STAR Origination form, the school will be sent an @1C CommonLine school cert request. The school will also receive an automated e-mail from Firstmark letting them know there are loans pending certification. In addition, for schools that participate in CommonLine, a response file will be sent if any changes are made to the loan.
- **Report:**  
When a loan changes into pending certification status, an automated e-mail is sent to the school letting them know there are loans pending certification and to log onto [www.firstmarkservices.com](http://www.firstmarkservices.com) to view the report titled "CommonLine - Loans Pending Certification."

**E-mails sent to borrowers:**

- The borrower is notified via e-mail if their co-signer chooses not to co-sign their loan.
- The borrower receives initial and reminder e-mails regarding the Approval Disclosure, Final Disclosure and Self-Certification.

**E-mails sent to co-signers:**

- The co-signer receives initial and reminder e-mails when the borrower needs to accept the loan or complete the Self-Certification form.



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## SELF Loan Program Disbursement Checklist

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### 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? \_\_\_\_\_

### 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? \_\_\_\_\_



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[PLACE SCHOOL'S LOGO OR LETTERHEAD HERE]

**Student Disclosure Statement Required for Schools Not Participating  
in the Federal Pell Grant Program  
2015-2016 Academic Year**

As a postsecondary educational institution that is not participating in the Federal Pell Grant program, we are required by Minnesota Statutes 136A.103 to inform you that, by choosing to attend this institution, you will not be eligible to receive a Federal Pell Grant.

For the 2015-2016 academic year (July 1, 2015 to June 30, 2016), Federal Pell Grants range from \$588 to \$5,775 per year and are available to students who:

1. have an expected family contribution (EFC) less than \$5,199
2. are U.S. citizens or eligible non-citizens,
3. are enrolled in an eligible undergraduate program at a participating postsecondary institution,
4. are making satisfactory academic progress,
5. are not in default status on a federal student loan, and
6. have not have been convicted of the sale of illegal drugs while receiving federal financial aid.

By signing below, I am confirming that I have read the above disclosure statement and understand that I will not be receiving a Pell Grant at this institution.

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date Signed



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## SELF Loan Program

### Status Descriptions for Online Application

FLOW	CODE	LOAN STATUS	STATUS DESCRIPTION	AGENCY MEANING	What does a customer need to do?
↓	PI	PreOrig-Incomplete	Pending Incomplete	Borrower has created a SELFApp account and created a note but has not yet requested a co-signer.	Borrower must finish Online Application.
	PM	PreOrig – Co-signer Requested	Pending Co-signer	Borrower has requested a co-signer and has not e-signed.	Co-signer must log into SELFApp to agree to co-sign and perform a credit check.
	PE	PreOrig-Awaiting Signature	Pending Signature	Borrower has requested a co-signer and has e-signed the application.	Co-signer must log into SELFApp to agree to co-sign, perform a credit check and identity validation.
	PK	PreOrig – Awaiting Co-signer Signature	Pending Co-signer Signature	Co-signer has passed the credit check and needs to electronically or wet sign the application.	Co-signer has been credit approved and needs to sign the application.
	PQ	PreOrig – Pending Disclosure	Pending Acceptance	Loan is pending borrower acceptance of the Approval Disclosure.	Borrower has 30 calendar days to accept the loan terms either electronically via SELFApp, or by contacting the Agency.
	PB	PreOrig – Pending Borrower Cert	Pending Borrower Certification	Borrower has accepted the Approval Disclosure but has not returned the Self-certification form.	Borrower needs to sign the Self-certification form, either electronically or on paper. If paper, the borrower needs to submit the form to the Agency.
	PC	PreOrig – Pending Certification	Pending School Certification	The loan is complete, all signatures and Approval Disclosure documentation are received. The Agency is waiting for the school to certify the loan.	There is no action for customer to take. The Agency is waiting for Certification from the school.
	PA	PreOrig – Approved	Pre-Approved	Note is certified and waiting for approval.	There is no action for customer to take. The Agency will review and process the loan.
	O	Origination	Pending Disbursement	The loan has been approved.	There is no action for customer to take. All documentation and calculations are re-verified before disbursements are set up.
	S	School	School	A scheduled disbursement has been sent to the school.	Borrower starts interest only payments.

#### OTHER STATUSES

PR	PreOrig – Research	Pending Review	Co-signer credit check triggered a Red Flag rule. This includes (but may not be limited to) ID theft alerts, Consumer Deceased Alerts, or SSN Mismatches.	Agency needs to research and determine whether credit should be approved or denied. Co-signer does not need to take action unless they receive an email/letter/phone call requesting information.
PX	PreOrig – Cancelled	Cancelled by Borrower	Borrower or co-signer cancels application via Consumer SELFApp.	Consumer cancelled application. Customer cannot do anything to change the status.
IA	Inactive	Cancelled by Lender	Agency has cancelled the loan.	Customer cannot do anything to change this status.
PD	PreOrig – Denied	Denied	Co-signer has a credit result of Denied/Research or Denied or school has declined to certify the loan.	Application is denied. Customer cannot do anything to change the status.
PG	PreOrig – Declined	Pending New Co signer	Co-signer has declined to co-sign. Borrower receives email notification that they can go back in and add a different co-signer.	Borrower must select a new co-signer.
SO	Send Back – Orig	Returned	Agency has returned application to borrower, co-signer or school for missing information.	Missing information must be provided.

#### HEOA STATUSES

PW	PreOrig – Pending Decline	Pending Cancellation	Borrower has declined the Approval Disclosure.	Borrower has declined the Approval Disclosure (either electronically via SELFApp or by contacting the Agency). Borrower can change his/her mind and accept the disclosure within the initial 30 days, but otherwise the loan will be cancelled.
X	Cancelled	Cancelled	Loan has been cancelled.	Customer cannot do anything to change this status.





**Minnesota  
Indian  
Scholarship  
Program**

**2015-2016**





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## I. Minnesota Indian Scholarship Program (MISP)

### A. Program Objective

1. 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

To be eligible, a student must be enrolled in one of the following:

- a. all accredited degree programs in accredited Minnesota colleges or universities, or
- b. courses in accredited Minnesota business, technical or vocational institutions, or
- c. a Minnesota college in candidacy status for obtaining full accreditation and eligible for and receiving federal financial aid programs, or
- d. a Minnesota higher education institution that has a joint program with another accredited higher education institution.

#### 2. Student Eligibility

- a. Minnesota Resident Student as defined in the 'Common Definitions' chapter of this manual.
- b. One-fourth or more American Indian ancestry.
- c. Has completed the FAFSA and applied for other state and federal scholarship and grant programs.
- d. Meet Satisfactory Academic Progress (SAP) as defined in the 'Common Definitions' chapter of this manual.
- e. Demonstrate financial need for an award.
  - i. **Undergraduate Students:** must be eligible or would be eligible, as defined below, to receive the Federal Pell Grant or Minnesota State Grant based on the federal needs analysis and have unmet financial need after the Federal Expected Family Contribution (EFC) and all forms of gift aid are subtracted from the Title IV Cost of Attendance.  
Example: If a student is otherwise eligible for a State Grant but the amount of the

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calculated award is zero at the student's enrollment level for each of the terms in the enrollment period, then the student is not considered eligible for MISP.

- To demonstrate eligibility to receive either Federal Pell Grant or Minnesota State Grant a student:
    - must receive either a disbursement of Federal Pell Grant or Minnesota State Grant during at least one term of the budget period, or
    - the student would otherwise be eligible to receive a disbursement of at least the minimum amount of either a Federal Pell Grant or a Minnesota State grant during at least one term of the budget period at the institution he or she is attending but who will not receive the disbursement because of one or more of the following: has earned a baccalaureate degree (must not have exceeded maximum number of years of MISP awards), has met or exceeded the Federal Pell Grant Maximum Lifetime Eligibility, has met or exceeded the Minnesota State Grant Limit on Postsecondary Attendance, or has a Child Support Hold listed on the State Grant On-Line Hold Report.
  - **Note:** Institutions with students who will not receive Federal Pell Grant or Minnesota State Grant during at least one term of the budget period but would otherwise be eligible, should notify the Office in order to have the student's record accurately identified in the online database.
- ii. **Graduate Students:** must have unmet financial need after the Federal Expected Family Contribution (EFC) and 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 federal or state student loan or, if in default, has regained eligibility for federal or state student aid.

### **C. Application Process**

1. A complete application must be on file in order for student to be eligible to receive funds.

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2. Complete application includes:
  - a. Completed student section of the MISP Application (See Appendix 1).
    - i. **Preferred Method:** student submits application online via the web application available on the Office's website.
    - ii. Institution and tribal scholarship office officials may submit an application via the online institution/tribal official database access on behalf of a student provided the student submitted a paper application that contains the release for institutions and tribal scholarship office to be able to submit application information on a web based application system on behalf of the student.
    - iii. If student submits paper application to the Office it will be entered into the application database as of the date it is received.
  - b. School Budget Sheet completed online or in paper form by institution and updated if changes to the student's financial aid package occur (See Appendix 1).
    - i. **Preferred Method:** Institution submits budget sheet online via the institutional official database access.
    - ii. If institution submits paper budget sheet to MISP it will be entered into the database as of the date it is received.
    - iii. Institutions **should not** submit a School Budget Sheet if a student has not completed the financial aid process at their institution. This includes students who have not yet submitted a FAFSA or have outstanding verification or conflicting information documentation to submit.
    - iv. Institutions **should** submit a School Budget Sheet if a student has completed all of the necessary steps at the institution to receive financial aid **regardless** of whether or not the college has established tuition and fees for the upcoming year, has the ability to provide a complete and final budget sheet or can issue an award letter.
    - v. Some estimated information may be submitted on initial School Budget Sheets if the institution is unable to obtain the actual information. For example, if the institution has not established tuition and fees or Cost of Attendance for the upcoming year, an estimated amount can be used but must be updated with accurate information as soon as possible to ensure awards are calculated accurately for eligible students.

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- vi. Institutions are required to review and update the School Budget Sheet for awarded students before approving the disbursement, at the time of disbursement and after disbursement to ensure students continue to demonstrate financial need.
- c. Verification of the student's one-fourth or more American Indian ancestry.
  - i. Must be submitted or on file with the Office.
  - ii. Student can submit one or a combination of Certificates of Indian Blood or other documentation that verify a combined blood quantum of one-fourth or more American Indian ancestry. Such documentation must be official documentation issued by a tribe, tribal government or the federal government. It should include the student's name, date of birth and the student's blood quantum or degree of ancestry.
  - iii. Verification may also be furnished by the tribal enrollment book for Minnesota Chippewa Tribe held by the Office.
  - iv. Verification may also be provided by tribal offices to the Office.
- 3. Complete applications are ranked in order of completion date.
  - a. If there are multiple applications with identical completion dates, those applications are further sorted by student application receipt date.
  - b. The completion date is the date all documentation needed for a complete application has been submitted to the Office.
- 4. Incomplete applications are held pending receipt of additional documentation.
  - a. Follow-up letters are sent to applicants requiring additional documentation.
  - b. Institutions are able to view a list of incomplete applications via the online database.
  - c. Periodically, institutions 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.
  - a. If there are multiple applications with identical completion dates, those applications are further sorted by student application receipt date.

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2. Awards are made until all available program funding has been awarded.
  - a. Overawarding of the program appropriation is allowed due to the historical rate of refunds returned for recipients who do not enroll.
  - b. Once funds are initially exhausted, remaining applicants are placed on a waiting list in order of completion date.
  
3. Awards are determined based on student's unmet financial need based on the following calculation:

<p>Student's Total Cost of Attendance Used for Federal Financial Aid Programs</p> <ul style="list-style-type: none"> <li>- Expected Family Contribution (from FAFSA)</li> <li>- Federal Pell Grant</li> <li>- Federal SEOG Grant</li> <li>- Minnesota State Grant</li> <li>- <u>All other gift aid, including tribal scholarships</u></li> </ul> <p>= MN Indian Scholarship Award Amount (Based on Award Amount Guidelines)</p>
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- a. Student's total Cost of Attendance is the federal Title IV Cost of Attendance which is used for federal financial aid programs and includes tuition, fees, books, supplies, transportation, room and board and miscellaneous expenses.
- b. Gift aid included in the calculation includes, but is not limited to:
  - i. Federal Pell Grant
  - ii. Federal SEOG Grant
  - iii. Minnesota State Grant
  - iv. Minnesota Postsecondary Child Care Grant
  - v. Minnesota GI Bill
  - vi. Tribal Scholarships
  - vii. Institutional Scholarships or Grants
  - viii. all other scholarships or grants
- c. Federal or Minnesota work study funds should not be included in the calculation unless institution has first consulted with the Office and the Office has indicated it can be included.
- d. Federal, state or private student loans are excluded from the calculation

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- e. Federal Veterans Education Benefits excluded from Estimated Financial Assistance for the purposes of awarding federal financial aid are also excluded from gift aid for the purposes of awarding MISP funds.
4. Award amount guidelines:
    - a. Maximum Award: \$4,000 per award year for undergraduate students and \$6,000 per award year for graduate students.
  5. Annual awards are based on a nine-month academic year and divided into two semester or three quarter installments.
    - a. Upon request by the student or institution, the annual award may be divided into three semester or four quarterly installments for students enrolled for a 12-month period.
    - b. Summer awards can also be made in cases where the student is not enrolled for all terms of the standard academic year and/or they have not yet been awarded the annual maximum.
  6. Limit on the number of years a student can receive scholarship.
    - a. 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 graduate/professional level.
    - b. Students in certificate, diploma or associates 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.
    - c. Students may receive the scholarship for only one degree per level and one doctorate or professional degree.
  7. Award rosters are available for institutions each time awards are made throughout the year and a listing of all awards will be available to view via the online database. A listing of recipients by tribal affiliation is also available for each tribal scholarship office located in Minnesota and available for viewing via the online database.

## **E. Disbursement Process**

1. Institutions are notified when pending awards are available to view and confirm online.



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- a. Award rosters are available to view on a term by term basis up to 45 days in advance of the term start date indicated on the budget sheet provided by the institution.
  - b. Institutions must review for accuracy and update, if needed, the current budget information for each student on the award roster **before** they verify a student is eligible on the award roster. This is to ensure that the student's award amount is accurate before funds are disbursed.
  - c. Institutions must verify each student's status on award roster before any funds are disbursed to the institution for eligible students.
    - i. For students who are not eligible, institution must indicate reason for ineligibility.
2. The Office schedules payment dates for each award indicated as eligible by the institution on the award roster.
  3. Awards with scheduled payment dates are available to view on payment rosters via the online database.
  4. Funds are transferred to the institution via EFT.
    - a. Institutions can view and print the payment rosters providing supporting documentation for payment amounts via the online database.
  5. Institution may not make a payment to a student for a payment period or term until the student has registered for classes during that payment period or term.
  6. Institution is liable for all funds that are disbursed to a registered student prior to the start of the enrollment period if that student fails to begin the enrollment period.
    - a. The institution must reimburse program 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.
  7. Disbursements must be based on the student's status as of the date of disbursement or the add/drop date as stated in the institutions' catalog whichever is later.

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- a. If a student has withdrawn or dropped below three-quarter time for undergraduate students or half time for graduate students or fails to meet another program eligibility requirement prior to disbursement, the student may not receive funding for that term.
8. If the institution posts a MISP payment to a student's account prior to receipt of MISP funds from the Office, the payment posted to the student's account must be cancelled if the student fails to enroll, withdraws or reduces his or her enrollment level below three-quarter time for undergraduate students or half time for graduate students prior to the institution's receipt of funds from the Office, unless the MISP funds are received by the institution within 14 days of posting the payment to the student's account.
  9. All related disbursement guidelines used for the State Grant program apply to MISP 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 Process' 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 Office within 30 days of the receipt of funds at the institution or when the recipient's ineligibility is determined whichever is later.
2. Institutions are required to review and make any necessary updates to the School Budget Sheet throughout the award year for all recipients and within 30 days of any changes make any necessary refunds or contact the Office to determine if funds from one term can be transferred to another term or if a refund is necessary.
3. Institutions may retain funds for more than 30 days if the institution has proof that they have contacted the student and that the student will start the applicable term at a later date but must inform the Office if this occurs.

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4. If a recipient withdraws or reduces enrollment below three-quarter time for undergraduate students or half time for graduate students:
  - a. Before the disbursement and before the end of the drop/add period, then the entire scholarship must be returned to the office;
  - b. After the disbursement but before the end of the drop/add period, then the entire scholarship must be returned to the Office;
  - c. After the disbursement and after the end of the drop/add period; no refund is required unless student fully withdraws.
  - d. If a student withdraws from a modular or non-term based credit hour program the point of withdrawal will determine when and if a refund must be made.
    - i. If student begins a term and the institution expects the student to be enrolled at least three-quarter time for undergraduate students or half time for graduate students, the school can disburse the scholarship to the student account.
    - ii. If student withdraws before beginning the ninth credit to be considered three-quarter time for undergraduate students or before being enrolled half time as a graduate student, the entire scholarship must be returned to the office within 30 days.
    - iii. Once student is considered three-quarter time for undergraduate students or half time for graduate students, the entire scholarship may be retained unless the student fully withdraws.
    - iv. If student fully withdraws after disbursement and after having begun the 9th credit for undergraduate students or after being considered enrolled half time for a graduate student, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.
  
5. If the student fully withdraws after the disbursement of the funds, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.
  
6. Refunds must be returned with written documentation that, at a minimum, indicates the individual student for which the refund is being made, the amount of the refund, the aid year and term for which the refund should be applied and the reason for refund.
  - a. Institutions may choose to use the Refund Return Form provided by the Office (Appendix 2).

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7. 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 institution to perform an audit.
- b. The institution 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 institution must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the institution. 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.
- d. Each institution must maintain and make available to auditors individual student financial aid files for MISP 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**

- a. The institution must have written documentation to support the student’s eligibility including, but not limited to, the following:
  - i. The student’s enrollment level in an eligible program at date of disbursement or at the end of the add/drop period, whichever is later. 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; and
  - ii. The student met the other program eligibility requirements described in the ‘Eligibility to Participate’ section of this chapter with the exception of proof of American Indian ancestry, which is maintained by the Office.

### **3. Documentation of Refunds**

- a. Written documentation supporting individual student refunds to the MISP must be retained at the institution (i.e., a copy of the calculation worksheet used to calculate the

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refund and the MN Office of Higher Education Refund Return Form available in Appendix 2).

#### 4. Return of Funds

- a. MISP funds not issued to students must be returned to the Office within 30 days of the beginning of the academic term or 30 days from the receipt of the funds at the institution, whichever is later.
  - i. Institutions may retain funds for more than 30 days if the institution has proof they have contacted the student and the student will start the applicable term at a later date.
- b. The funds must be returned with the required written documentation indicated in the 'Refund Process' section of this manual.
  - i. Documentation of such refunds must be retained at the institution.
- c. Institutions must be able to identify the date on which the funds were disbursed to the student and the corresponding dollar amount.
- d. Amounts returned to the program must also be documented for individual students (copy of the payment roster with refunds indicated).

#### 5. Reconciliation

- a. At a minimum, at the end of each fiscal year, the financial aid office must reconcile its record of MISP disbursements with:
  - i. Offices' records of MISP disbursements, and
  - ii. Institution's business office records of MISP disbursements.
- b. The Office strongly encourages financial aid offices reconcile its record of MISP disbursements with the Office and institutional business office records monthly and at the end of each term in order to make available any refunded funds for awards to other eligible students on the waiting list.





**Minnesota  
Statutes  
Governing  
Minnesota  
Indian  
Scholarship  
Program**





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**136A.126 INDIAN SCHOLARSHIPS.**

Subdivision 1. **Student eligibility.** The commissioner shall establish procedures for the distribution of scholarships to a Minnesota resident student as defined under section 136A.101, subdivision 8, who:

- (1) is of one-fourth or more Indian ancestry;
- (2) has applied for other existing state and federal scholarship and grant programs;
- (3) is meeting satisfactory academic progress as defined under section 136A.101, subdivision 10;
- (4) is not in default, as defined by the office, of a federal or state student educational loan;
- (5) 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; and
- (6) 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.

Subd. 2. **Eligible programs.** Scholarships must be for enrollment at an eligible institution that is accredited. Scholarships may also be given to students attending eligible institutions 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 in eligible 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;
  - (3) the amount of the state grant;

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- (4) the federal Supplemental Educational Opportunity Grant;
  - (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 award year;
  - (2) the maximum award for a graduate student is \$6,000 per award year; and
  - (3) the minimum award for all students is \$100 per award year.
- (d) Scholarships may not be given to any Indian student for more than 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.

**Subd. 5. Awarding procedure.**

- (a) Awards must be made on a first-come, first-served basis in the order complete applications are received. If there are multiple applications with identical completion dates, those applications are further sorted by application receipt date.
- (b) Awards are made to eligible students until the appropriation is expended.
- (c) Applicants not receiving a grant and for whom the office has received a completed application are placed on a waiting list in order of application completion date.

**History:** Ex1959 c 71 art 5 s 36; 1971 c 176 s 1; 1977 c 384 s 1; 1983 c 258 s 28; 1Sp1985 c 11 s 12; 1988 c 629 s 28; 1988 c 718 art 3 s 3; 1993 c 224 art 9 s 32; art 13 s 40; 1993 c 374 s 23; 1997 c 192 s 20; 1998 c 397 art 2 s 107,164; 1998 c 398 art 5 s 55; 2000 c 489 art 3 s 4; 1Sp2001 c 6 art 2 s 49; 1Sp2005 c 5 art 2 s 70; 2007 c 146 art 2 s 28, 47; 2008 c 298 s 5; 2010 c 364 s 8,9; 2013 c 99 art 2 s 29



**Appendices:  
Minnesota  
Indian  
Scholarship  
Program**



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**Appendix: Minnesota Indian Scholarship Program**

Appendix

Indian Scholarship Application with School Budget Sheet ..... 1

Refund Return Form ..... 2



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<b>MINNESOTA OFFICE OF HIGHER EDUCATION</b>	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	<b>MINNESOTA INDIAN SCHOLARSHIP PROGRAM APPLICATION INSTRUCTIONS</b>	2015-2016  DUE: <b>July 1, 2015</b>  Page 1
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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 American 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 (limited to 3 years of funding for students in less than 4-year programs) 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 (college may submit online)
- Documentation of ¼ American 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 1<sup>st</sup>**. 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](http://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 in paper or online
- Step 4: Submit complete 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.
- You can also submit email inquiries to [info.ohe@state.mn.us](mailto:info.ohe@state.mn.us).
- Be sure to specify your inquiry is related to the Minnesota Indian Scholarship Program.

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<b>MINNESOTA OFFICE OF HIGHER EDUCATION</b>	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	<b>MINNESOTA INDIAN SCHOLARSHIP PROGRAM APPLICATION</b>	2015-2016
			DUE: <b>July 1, 2015</b>
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<b>GENERAL INFORMATION:</b> <ul style="list-style-type: none"> <li>▪ Read attached program information sheet and visit <a href="http://www.ohe.state.mn.us/indianscholarship">www.ohe.state.mn.us/indianscholarship</a> for more information on eligibility requirements</li> <li>▪ <b>Complete</b> applications received after priority deadline of <b>July 1</b> may be placed on a waiting list and awarded in order of the complete application date</li> <li>▪ Applications can also be submitted online at <a href="http://www.ohe.state.mn.us/indianscholarship">www.ohe.state.mn.us/indianscholarship</a></li> </ul> <b>Complete steps #1-5 by July 1<sup>st</sup> in order to be considered for priority funding:</b> <ol style="list-style-type: none"> <li>1. Complete a Free Application for Federal Student Aid (FAFSA) at <a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a></li> <li>2. Complete student section of Minnesota Indian Scholarship Program Application</li> <li>3. Request college financial aid office to complete school budget section of application</li> <li>4. Submit <b>complete</b> application by July 1<sup>st</sup> (must include school budget and ancestry documentation)</li> </ol>	<b>TYPE OF APPLICATION</b> <input type="checkbox"/> New (never applied) <input type="checkbox"/> Renewal (applied to program before)
	<b>TERMS OF ATTENDANCE</b> <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 <b>ALL</b> names you have used (including maiden name) other than the name listed above		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     Male     Female      Marital Status     Single     Married     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	Are you an Education Major? <input type="checkbox"/> YES <input type="checkbox"/> NO	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):  
 Enrolled in Tribe     Combination    **All new applicants must attach documentation from all tribes verifying ¼ or more American Indian blood. If combination, applicant must provide documentation showing blood quantum 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:**

- 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.
- 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.
- 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.
- 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 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.
- 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.
- 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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<b>MINNESOTA OFFICE OF HIGHER EDUCATION</b>	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	<b>MINNESOTA INDIAN SCHOLARSHIP PROGRAM BUDGET SHEET (FOR FINANCIAL AID OFFICE USE ONLY)</b>	2015-2016  DUE: <b>July 1, 2015</b>  Page 3
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IDENTIFICATION INFORMATION	
Student Name	Social Security Number
Institution Name	Federal School Code

**FINANCIAL AID OFFICE VERIFICATION OF INFORMATION**

School Official (please print)	Signature	Date	Telephone Number ( ) -
Does student meet MN State Grant residency requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No	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"/> 2nd Revision Date: <input type="checkbox"/> 3rd Revision Date:
Student Will be Attending <input type="checkbox"/> Full Time <input type="checkbox"/> 3/4 Time <input type="checkbox"/> 1/2 Time (undergraduate students not eligible at 1/2 time)	Current Student Status: <input type="checkbox"/> Eligible <input type="checkbox"/> Academic Suspension <input type="checkbox"/> In Default on Federal or State Loan <input type="checkbox"/> Withdrawal <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 grants, scholarships, and institutional aid the student is receiving or expected to receive. 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 (2015)	FALL	WINTER	SPRING	SSI (2016)	TOTAL
<b>Start Date (for disbursement)</b>						
<b>Enrollment Level (FT, 3QT, HT)</b>						
<b>Assessed Need (COA – EFC)</b>	\$	\$	\$	\$	\$	\$
FEDERAL/ STATE/ COLLEGE/ PRIVATE OR OTHER GIFT AID	PELL \$	\$	\$	\$	\$	\$
	SEOG \$	\$	\$	\$	\$	\$
	MN ST GT \$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
<b>BALANCE</b>	\$	\$	\$	\$	\$	\$

ADDITIONAL INSTITUTIONAL COMMENTS

**TRIBAL AND MISP FUNDING  
(FOR MISP OFFICE ONLY)**

TERMS	SSII	FALL	WINTER	SPRING	SSI	TOTAL
<b>DATE</b>						
<b>TRIBE</b>	\$	\$	\$	\$	\$	\$
<b>MISP</b>	\$	\$	\$	\$	\$	\$

Comments:



# 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, Postsecondary Child Care Grant and MN GI Bill programs)

Program Name	Aid Year	Amount of Refund
		\$
		\$
		\$
		\$
		\$

## Returning Individual Student Refund(s)\*

(for use with Indian Scholarship, State Grant, State Work Study, Postsecondary Child Care Grant and MN GI Bill programs)

Student's Name	SSN	Program	Amount	Term	Aid Year	Reason*	If Reason is PW or CH, please indicate enrollment level at: Time of Disbursement/ Current
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				
	XXX-XX-		\$				

**Reason Codes:**  
 NE = not enrolled for term/withdrawal before disbursement  
 WI = total withdrawal from school after disbursement  
 PW = withdrew from class but still enrolled  
 CH = changed enrollment level, refunding full difference in awards  
 OT = other

Return refund with form to:  
**Minnesota Office of Higher Education**  
**Administrative Services Division**  
 PO Box 64449  
 St. Paul, MN 55164-0449

<b>Person Returning Funds:</b>	<b>Phone Number:</b>
<b>Name of College:</b>	<b>Date Completed:</b>
<b>School Code:</b>	

\*Schools should only return individual student refunds for State Grant, State Work Study, Postsecondary Child Care Grant and MN GI Bill programs if they occur after the school has closed out program activity for the aid year.





**Minnesota  
GI Bill  
Program**

**2015-2016**



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## I. Minnesota GI Bill Program

### A. Program Objective

1. The objective of the program is to provide postsecondary financial assistance to eligible Minnesota veterans and service members 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 annual institutional agreement with the Office.

#### 2. Student Eligibility

- a. Institutions must verify the student is eligible for the Minnesota GI Bill.
- b. **Military Service Eligibility Requirements:** Institution must confirm student is an eligible veteran, non-veteran, dependent child or spouse.

**Note:** Institutions are no longer responsible for collecting documentation from students and verifying students are eligible based on military service. However, in order to ensure accurate information is provided to students, the eligibility criteria are provided below for information purposes only:

##### i. 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.
- **Important Note:** Beginning in 2013-2014 award year, Eligible Veterans no longer have to have served on or after September 11, 2001.
- For purposes of this program, a veteran is a (see MN Statutes 197.447 and MN Statutes 197.791):

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- service member who was discharged/released under any condition other than dishonorable after serving on active duty for 181 consecutive days; or
- service member who was discharged/released under any condition other than dishonorable 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’ in that country; or
- been awarded any of the following medals:
  - Armed Forces Expeditionary Medal,
  - Kosovo Campaign Medal,
  - Afghanistan Campaign Medal,
  - Iraq Campaign Medal,
  - Global War on Terrorism Expeditionary Medal, or
  - 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’ in that country.
- A service member who has fulfilled the requirements for being a veteran in this section but is still serving actively in the United States armed forces is also a veteran for the purposes of this program.
- **Clarification of Eligible Active Service or Active Duty:** The Minnesota Department of Veteran Affairs (MDVA) has clarified the active service or active duty used in determining if a student meets the military service requirements must be for purposes other than training. Any student who was determined to be eligible by a postsecondary institution prior to the 2013-2014 award year based on active duty that was not for purposes other than training will no longer meet the military service requirements to be considered an Eligible Veteran. Affected students will be notified by MDVA and will have an opportunity to provide additional documentation. Students who received disbursements of MN GI Bill prior to the 2013-2014 award year who no longer meet the military service

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requirements based on this clarification will not be required to repay any previously received disbursements.

ii. **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 active or reserve component of the United States armed forces and any part of that service occurred on or after September 11, 2001.
  - If the student reaches a total five years of cumulative military service while enrolled, he or she is considered an Eligible Non-Veteran in his or her next term of enrollment.
- If the student is not receiving federal military or veterans education benefits, the reason should be noted by the institution but does not have to be in written form directly from the student.
- **Note:** Student does not have to be currently serving to be eligible and multiple periods of service can be combined to total five or more years of cumulative service provided at least 1 day of that cumulative service is on or after September 11, 2001.

iii. **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 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 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 (MS 197.75 Subdivision 1, Part d).
- **Important Note:** Beginning in 2013-2014 award year, dependents and spouses must also be currently eligible to receive federal dependent education benefits under the VA Chapter 35 or Chapter 33.

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**c. Required Documentation**

- Beginning in the 2013-2014 award year, institutions **must** use documentation provided by the MDVA Higher Education Veterans Programs to confirm the student is eligible based on military service.
- The documentation is provided by MDVA within the MN GI Bill online database maintained by the Office.
- **Important Note:** For program review purposes, institutions must retain required documentation used to determine eligibility based on military service prior to the 2013-2014 award year.

**d. Additional Eligibility Requirements**

All students must:

- i. Be a Minnesota Resident Student as defined in the ‘Common Definitions’ chapter of this manual.
- ii. Be an undergraduate or graduate student at an eligible participating institution.
- iii. Be maintaining Satisfactory Academic Progress as defined by the institution for students participating in federal Title IV programs.
- iv. Be 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.
  - For students enrolled at more than one eligible institution:
    - Student may receive MN GI Bill at one or more eligible institutions in which he or she is enrolled.
    - Student is only required to be enrolled in a certificate, diploma, or degree program at one eligible institution. If the student is not enrolled in a certificate, diploma or degree program at an institution disbursing MN GI Bill funds, the institution must have documentation on file from another institution to confirm student is enrolled in a certificate, diploma or degree program.
    - Student may not receive more than the term or annual maximum award amounts when awards are combined from all institutions. Each institution is

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responsible for ensuring they are not awarding a student MN GI Bill beyond the term, annual or lifetime maximum award amounts.

- Each institution calculating a MN GI Bill award must include in the award calculation the amount of Pell or State Grant as well as federal military or veterans education benefits (except for VRAP) received by the student at all institutions.
  - For example: a student who is enrolled in a bachelor's degree program at Institution A chooses to enroll in 6 credits during a summer term at Institution B but is not enrolled in a certificate, diploma or degree program at Institution B and there is no formal consortium agreement. The student applies for MN GI Bill for the summer term at Institution B. Institution B may award the student MN GI Bill if she is eligible based on the residency and military service requirements. In addition, the institution must ensure the student has not reached the annual or lifetime maximum MN GI Bill award amounts and has remaining need in the MN GI Bill award calculation. The institution must also retain documentation from Institution A indicating the student is indeed enrolled in certificate, diploma or degree program.
- v. Have applied for the Minnesota GI Bill prior to the end of the academic term for which the assistance is being requested.
    - 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 institutions' catalog.
    - If application becomes complete at a later date within the award/fiscal year, student can receive benefits retroactively back to the term in which he or she applied.
  - vi. Apply each award/fiscal year.
  - vii. Be 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.
  - viii. Have completed the Free Application for Federal Student Aid (FAFSA) for the award year in which they are requesting assistance.

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e. **Ineligibility**

- i. 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.

## C. Application Process

### 1. Student Application

- a. An eligible student may receive funds from the Minnesota GI Bill if he or she applied before the end of the term as stated in the institution's catalog.
  - i. Application does not have to be complete, just submitted before the end of the term.
  - ii. Institution may retroactively award MN GI Bill back to the academic term in which the student first applied if the application becomes complete at a later date within the award/fiscal year.
- b. The student (veteran, non-veteran, spouse or child) must apply each fiscal year.
- c. Applications can be submitted online via the Office's online application or submitted in paper form to the institution, the Office, MDVA or the Minnesota National Guard Education Office.
  - i. Student certification section of the paper application permits the institution, the Office, MDVA or the Minnesota National Guard Education Office to enter the information from the paper application into the online application form on the student's behalf.
- d. Complete application includes:
  - i. Student application.
  - ii. Required documentation provided by MDVA confirming student is eligible based on military service.
    - If a postsecondary institution has or receives documentation which is needed by MDVA to confirm a student's eligibility based on military service, the postsecondary institution **must** either provide the documentation to MDVA or provide MDVA access to review the documentation. Student Certification section of the application permits postsecondary institutions to share information and documentation with the Office as well as MDVA.

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iii. FAFSA completion and other documentation related to state financial aid eligibility including but not limited to documentation of Minnesota Resident Student status and any required documentation related to the federal verification process.

- **Undergraduate Minnesota Resident Students and Transcripts Required for State Grant Eligibility:** If a student is unwilling or unable to provide transcripts in order to complete his or her application for the State Grant Program, the MN GI Bill application is **incomplete** unless institution has determined student would not qualify for a state grant award based on EFC at any enrollment level.

e. **Incomplete applications:**

i. Students with applications pending the required documentation to verify student eligibility based on military service will be notified within 30 days of the receipt of the application by MDVA.

- Notice will indicate application is pending receipt of additional documentation related to eligibility based on military service.

ii. Institution is responsible for notifying students with applications pending items related to state financial aid eligibility which includes, but is not limited to, documentation of Minnesota Resident Student status, FAFSA submission and other documentation related to eligibility for state financial aid.

- Notice must indicate the application is pending and include a list of the required documentation or actions the student must take in order to complete the application.

f. If a complete application is received, the institution must notify the student of their eligibility or ineligibility within 30 days of the receipt of the application.

- i. **Exception:** If a complete application is received prior to the beginning of the award year/fiscal year, the institution must notify the student of eligibility or ineligibility within 30 days of the beginning of the student's first term of enrollment in the award year/fiscal year.

## 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):

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Student's Minnesota GI Bill Cost of Attendance (COA)

- Federal Pell Grant
- Minnesota State Grant
- All Federal VA or Military Educational Benefits\*
- = Minnesota GI Bill Award Amount  
(based on guidelines)

\*Except Veterans Retraining Assistance Program (VRAP)

2. The Minnesota GI Bill Cost of Attendance (COA) is defined as:
  - a. **Undergraduate Students:** 1.2 times the Recognized State Grant Cost of Attendance for the institution using the program level and enrollment level of the student (see MS 136A.121, subdivision 6).
    - i. Using State Grant budget for degree program in which student is enrolled (four-year or less than four-year program).
    - ii. Prorated using the actual number of credits (see "Determining Student Enrollment Status" section) for which the student is enrolled (1-15).
  - b. **Graduate Students:** 1.2 times the maximum Recognized State Grant Cost of Attendance for a four-year program.
    - i. Using maximum budget for a student enrolled in a four-year program.
    - ii. Prorated using the actual number of credits for which the student is enrolled (1-8).
    - iii. **Note:** Full-time and part-time enrollment levels for graduate students are still defined by the institution.
  
3. To determine student's remaining need, subtract from the MN GI Bill COA the amount the student received or will receive in that semester or term from:
  - a. the Federal Pell Grant;
  - b. the Minnesota State Grant Program; and
  - c. any federal military or veteran's educational benefits (except VRAP) paid to either the student or the institution, including but not limited to:
    - i. the Montgomery GI Bill (Chapter 30)
    - ii. Post 9/11 GI Bill (Chapter 33) including:
      - Funds received by institution for tuition and fees, and



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- Monthly Housing Allowance received by the student, and
  - Books and supplies stipend
- iii. Montgomery GI Bill-Selected Reserve (Chapter 1606)
  - iv. Reserve Educational Assistance (Chapter 1607)
  - v. Survivors and Dependents Assistance (Chapter 35)
  - vi. GI Bill Kicker
  - vii. Federal Tuition Assistance program
  - viii. Army Continuing Education benefits
  - ix. VA Vocational Rehabilitation (Chapter 31) benefits including funds received by institution and any stipend received by student as part of the education benefit
  - x. Any other federal education benefits associated with the person's status as a veteran or the spouse or child of a veteran
- d. **Exceptions:**
- i. Veteran's disability payments from the United States Veterans Administration should not be subtracted.
  - ii. Payments received under the Federal Veterans Retraining Assistance Program (VRAP) should not be subtracted.
  - iii. State veterans or military benefits, including State Tuition Reimbursement should not be subtracted.
  - iv. Income earned from the federal Veterans Affairs Student Work-Study Allowance Program (VASWSAP) should not be subtracted as it is a non-educational veterans benefit reported as untaxed income on the FAFSA.
4. The remainder is the per term amount of the award within the following guidelines.
- a. **Undergraduate Students**
    - i. Students taking 12 credits or more for a semester or term are considered full-time and the maximum award per semester or term is \$1,000.
    - ii. Students taking fewer than 12 credits are considered part-time and the maximum award per semester or term is \$500.
    - iii. May not receive more than \$3,000 per award/fiscal year and no more than \$10,000 during their lifetime.

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b. **Graduate Students**

- i. A student considered full-time by the institution is considered full-time regardless of the number of credits for which he or she is enrolled and the maximum award per semester or term is \$1,000.
- ii. A student considered part-time by the institution is considered part-time regardless of the number of credits for which he or she is enrolled and the maximum award per semester or term is \$500.
- iii. May not receive more than \$3,000 per award/fiscal year and no more than \$10,000 during their lifetime.

c. **Minimum** award per semester or term is \$50.

5. **Determining Student Enrollment Status**

- a. In general, the number of credits to be included in the term award calculation shall be determined using the same method used to determine the enrollment status for the State Grant program (see “Enrollment Status at Eligible Institution” section of the State Grant chapter of this manual).
- b. Note: transfer credits earned during a previous term at another institution, courses that the student audited, credits awarded from placement or CLEP tests may not be counted towards enrollment status.

6. **Determining the Amount of Monthly Federal Benefits Per Semester or Term**

- a. To determine the amount of federal veterans or military education benefits a student received or will receive for the semester or term, institutions should use the monthly rate provided by the VA School Certifying Official or other VA documentation.
  - i. Institutions may use any **reasonable** method of determining the number of months or weeks in the semester or term when determining the total amount of benefits a student received or will receive in the term in which the award is being calculated.
  - ii. In general, institutions can use 4.5 months for semesters and 3 months for quarters but should subtract from this total an estimate of benefits a student will not receive for any break periods between terms.

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- For example, if a student is enrolled in a semester program (Fall and Spring) with a three week break between each semester and is eligible to receive a monthly benefit of \$1,000, the institution can estimate the student will receive \$4,125 in federal benefits each semester. To arrive at this total, institutions may:
  - multiply the monthly benefits by 9 months for a beginning total of \$9,000 then,
  - determine amount of benefits the student would have received for break period by multiplying the monthly amount of \$1,000 by .75 or  $\frac{3}{4}$  to equal \$750 then
  - subtract \$750 from \$9,000 to equal \$8,250 for the total estimated benefits for a 9-month academic year and
  - divide \$8,250 by 2 to equal \$4,125 for the estimated benefits received for semester.

iii. In some cases where institutions have semesters or terms that vary in length or are combined with interim terms, institutions may use any **reasonable** method of determining the number of months or weeks in the semester or term but should subtract from this total an estimate of benefits a student will not receive for any break periods between terms.

- For example: If an institution uses a 4-1-4 calendar (Fall-Interim-Spring) and a student is enrolled or expected to enroll during the interim term, the institution may choose to use 4 months when determining the number of months to attribute to the fall semester and 5 months for the spring semester. In this case, the institution should combine the number of credits the student is enrolled for the interim term with the number of credits the student is enrolled in for the spring semester when calculating the number of credits to use in the award calculation for the spring semester.
- Institutions may also choose to follow the same method for prorating the federal Cost of Attendance used at the institution but should subtract from this total an estimate of benefits a student will not receive for any break periods between terms.

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- b. If an institution participates in the Yellow Ribbon Program as part of the Federal Post 9/11 GI Bill, the amount contributed by the institution is **not** to be included in the calculation.
  - c. Effective July 1, 2009, Federal Veterans Educational Benefits are no longer considered Estimated Financial Assistance when used to determine eligibility for **Federal** financial aid. This change does **not** affect the MN GI Bill calculation. Therefore, as stated by law, **all** federal military and veterans benefits (except VRAP) received by the student must be included in the MN GI Bill benefit amount calculation.
  - d. **Important Note:** Beginning August 1, 2011 break or interval pay is no longer payable under any education benefit administered by the Federal Veterans Administration.
  - e. Institutions must confirm with the VA Certifying Official at their institution to accurately calculate the estimated amount of federal education benefits a student is receiving during the academic year.
7. **Documentation of Military and Veterans Benefits**
- Institution is responsible for verifying the amounts received in federal military and veterans education benefits used in the award calculation.
- a. Verification can be obtained from several sources including but not limited to, the VA School Certifying Official on campus, access to the Veterans Affairs VA ONCE system or a record of payments to the student's account.
  - b. Any amounts listed on student application are **not** sufficient to provide verification and is intended to assist institutions in determining what benefits a student may be receiving.
  - c. If the institution determines the student is otherwise eligible to receive federal veterans or military education benefit (except benefits from the Federal Veterans Retraining Assistance Program (VRAP)) but has chosen to defer receipt of those benefits, the institution should note the reason but it does not have to be in written form directly from the student.

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## 8. Summer or “Crossover” Terms

- a. Students may apply for and receive funding up to the maximum annual award amount of \$3,000 therefore it is highly likely some students will be eligible for funding for 3 full time semesters or terms.
- b. It is likely students may be eligible to receive funding in a term that overlaps fiscal or financial aid award years. Such terms are referenced to as “crossover” terms.
  - i. If a term does not overlap two award/fiscal years, it must be paid from the award/fiscal year in which it occurs.
- c. When a crossover term overlaps two award/fiscal years (begins before and ends after July 1), MN GI Bill funding may come from either fiscal year.
- d. Institution may decide from which award/fiscal year to award funds on a student-by-student basis.
- e. Whichever award/fiscal year is selected, the State Grant Cost of Attendance, need analysis, laws, rules and policies in place for award/fiscal year must be used to calculate the MN GI Bill award.
- f. Any amount of Pell Grant and State Grant subtracted within the award calculation should be the **actual** amount awarded, even if it is awarded from a different award/fiscal year.

## E. Recalculation of Award

1. If student receives or is expected to receive additional Federal Veterans Benefits not anticipated in the original calculation, the institution must recalculate the current award as well as any subsequent awards.
  - a. **Note:** Federal VA benefit monthly award amounts are often updated on different dates throughout the year.
    - i. If a semester or term award is calculated or recalculated prior to change in the monthly benefit amounts, institution can calculate award based on the previous benefit amounts and is not required to recalculate the award.
    - ii. If a semester or term award is calculated or recalculated after the change in the monthly benefit amounts, institution must calculate the award based on the current year (updated) benefit amounts.

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2. Institution is not required to adjust or recalculate 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.
    - i. If student fully withdraws, the Office of Higher Education refund calculation must be used to determine the refund to be returned to the state.
  
3. Institutions may, but are not required to, adjust or recalculate the award of a student who does not fully withdraw but adds or drops courses after the add/drop period if the student will be eligible for an increased benefit amount due to the change in enrollment.
  
4. Institution must recalculate if EFC or other financial aid eligibility changes affect the student's eligibility for Pell or State Grant occur during a term and for all subsequent terms.
  - a. For example, if an institution includes a State Grant amount on the original Award Calculation and during the term, the financial aid office is notified the student is no longer eligible to receive State Grant due to having reached the Limit on Postsecondary Attendance, the institution must recalculate the MN GI Bill award (See Minnesota State Grant chapter of this manual for more guidance on the State Grant Limit on Postsecondary Attendance).

## **F. Disbursement Process**

1. Funds must be disbursed for the academic year from which funds are generated.
  
2. Disbursements must be based on the student's status as of the date of disbursement or the institution's add/drop date for the semester or term, whichever is later, such that if a student fails to meet any program eligibility requirement prior to disbursement, the student may not receive funding for that semester or term.
  
3. An institution may not make a payment to a student for a payment period or period of enrollment, as applicable, until the student is registered for classes for that period.

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4. Institution is liable for all funds that are disbursed to a registered student prior to the start of the enrollment period if that student fails to begin the enrollment period.
  - a. The institution must reimburse program funds disbursed to the student prior to the start of the enrollment period if the institution cannot document the student began attending classes.
  - b. If an institution posts a payment to a student's account prior to receiving funds from the Office, 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 Office.
  
5. All other related disbursement guidelines used for the State Grant program apply to the Minnesota GI Bill 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 Process' section of the State Grant chapter in the Financial Aid Manual.

## **G. Refund Process**

1. **Refunds During the Award/Fiscal Year**
  - a. If the student fully withdraws, the Office of Higher Education refund calculation must be used to determine the refund amount and can be returned to the allocation available at the institution for other eligible students.
  
2. **Refunds After the Award/Fiscal Year Has Ended**
  - a. Refer to the Excess Funds section below.

## **H. Procedures for Denial/Termination or Appeal**

1. **Denial/Termination**
  - a. Institution must notify the student of their or ineligibility within 30 days of the receipt of a complete application.

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- b. If a complete application is received prior to the beginning of the award/fiscal year, the institution must notify the student of their ineligibility within 30 days of the beginning of the award year/fiscal year.
- c. Institutions must provide the student with letter indicating the reason/s for ineligibility or termination and can use the Denial/Termination Template provided in the appendix.

## 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 the commissioner requires.
- c. The decision of the commissioner regarding an appeal is final.
- 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 or term of the student's original application, whichever is later.

## I. **Allocation/Reallocation of Minnesota GI Bill Funds**

### 1. **Allocations**

- a. Initial allocation amounts may be based on an estimated number of veterans attending the institution, the number of eligible students or prior year usage.
- b. 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 needed.
- c. Institutions will be notified of the expected initial allocation prior to the distribution of funds.
- d. Participating institutions may receive 50 percent of their initial annual allocation in late September or early October and the remaining 50 percent in January.



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## 2. **Reallocation**

- a. Institutions may request additional funds if the initial allocation does not cover its anticipated need for the current fiscal year.
- b. In late fall, institutions will be asked if any adjustments need to be made to the scheduled January allocation amount if it exceeds their need for funds.
- c. If institutions reduce the scheduled January allocations, those funds will be reallocated to institutions that need additional funding.
- d. Reallocation and refund requests from the Office will be emailed to institutions on a regular basis to ensure funds are being awarded and disbursed to students' accounts throughout the fiscal year.

## **J. Management of Funds**

### 1. **Accountability for Funds**

- a. Each participating institution 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 institution must implement procedures and controls to ensure proper accountability.
- d. The institution must ensure disbursement records submitted to the Office via the online application database accurately represent disbursements made to eligible students during the award/fiscal year.
- e. The institution may subcontract for the administration of the program, but this does not relieve the institution's responsibility for proper administration.
- f. When Minnesota GI Bill funds are received from the Office, the institution may either deposit the funds in a separate account or combine the funds with other institutional funds.
  - i. A separate account is preferable.
  - ii. If combined with other institutional funds, a fund source number must be traceable to all activity within the account.
- g. Each institution 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

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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 disbursed to eligible students.
- 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 financial aid office must ensure all disbursements submitted in the online application database accurately represent disbursements made to eligible students during the award/fiscal year.
- d. The Office will periodically request information regarding the use of funds during the award/fiscal year.
- e. Excess funds should be returned to the Office within 30 days of any refund request or by the refund date indicated in the request from the Office.
- f. Returned funds may be used by the Office to reallocate funds to other eligible institutions.
- g. Institutions must return all excess funds at the end of the award/fiscal year to the Office no later than August 31 to allow institutions the opportunity to award eligible students for a summer crossover term.

## 3. **Reconciliation**

- a. At a minimum, at the end of each fiscal year, the financial aid office must reconcile its record of MN GI Bill disbursements with:
  - i. the Office's record of MN GI Bill disbursements, and
  - ii. institution's business office records of MN GI Bill disbursements.
- b. The Office strongly encourages financial aid offices reconcile its record of MN GI Bill disbursements with the Office and institutional business office records monthly and at the end of each term.

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## **K. State Reports and Data Collection**

1. Participating institutions must correctly complete and submit the following forms and reports by the applicable deadline dates, if requested:
  - a. Institutional Request for Participation, and
  - b. Reallocation/Refund Request, and
  - c. End of Year Report and supplements.
  
2. Each institution must maintain accurate and current records for every participating student.
  
3. In order to evaluate the effectiveness of the program, the institution may be asked collect demographic, educational and financial data specified by the Office from eligible students.
  
4. Upon request, the institution must provide documentation of the amount of federal military or veterans benefits received by eligible students and used in calculating the benefit amount described in the ‘Award Calculation’ section of this chapter.
  
5. Upon request, the institution must also report information about students who received awards and students who were denied awards.
  
6. An institution’s allocation for the next aid year shall be withheld if a deadline date is not met or if a report is incomplete or incorrectly completed and must be returned to the institution for correction and re-submission to the Office.

## **L. State Audit Requirements**

1. **Records Available for Auditors**
  - a. State auditors will periodically visit each participating institution to perform an audit.
  - b. The institution 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 institution must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the institution. In

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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.

- 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**

- a. The institution must have written documentation to support the student's eligibility including, but not limited to, the following:
  - i. 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 institution; and
  - ii. the student met the other program eligibility requirements described in the 'Eligibility to Participate' section of this chapter; and
  - iii. the amount of federal military and veterans educational benefits received by eligible students and used in calculating the benefit amount described in the 'Award Calculation' section of this chapter.

## 3. **Documentation of Refunds**

- a. Written documentation supporting individual student refunds to the Minnesota GI Bill must be retained at the institution (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 Minnesota Office of Higher Education for services the commissioner determines necessary to administer the program.

Subd. 4. **Eligibility.**

- (a) A person is eligible for educational assistance under this section if:



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(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;
- (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 and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or
- (iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(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.

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- (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 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

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(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 and payments made under the Veterans Retraining Assistance Program (VRAP).

- (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. 5a. Apprenticeship and on-the-job training.**

- (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible applicants, as provided in this subdivision.
- (b) An “eligible employer” means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.
- (c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person meets the criteria established under subdivision 4, paragraphs (a), clause (1), and (c) to (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:
  - (1) \$2,000 per fiscal year for apprenticeship expenses;
  - (2) \$2,000 per fiscal year for on-the-job training;

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- (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring a person receiving assistance under this subdivision; and
- (4) \$1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

No more than \$3,000 in aggregate benefits under this paragraph may be paid to or on behalf of an individual in one fiscal year, and not more than \$9,000 in aggregate benefits under this paragraph may be paid to or on behalf of an individual over any period of time.

- (d) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:
  - (1) the training must be with an eligible employer;
  - (2) the training must be documented and reported;
  - (3) the training must reasonably be expected to lead to an entry-level position; and
  - (4) the position must require at least six months of training to become fully trained.

Subd. 6. **Appropriation.** The amount necessary to pay the benefit amounts in subdivisions 5 and 5a is appropriated from the general fund to the commissioner. During any fiscal year beginning on or after July 1, 2012, the amount paid under this subdivision must not exceed \$6,000,000.

**History:** 2007 c 144 art 2 s 49; 2008 c 297 art 2 s 14-16; 2009 c 94 art 3 s 16; 2012 c 292 art 4 s 12,13; 2013 c 142 art 4 s 7,8



**Appendices:  
Minnesota  
GI Bill  
Program**



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## Appendices: Minnesota GI Bill Program


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<b>Minnesota GI Bill Program Application</b> <b>2015-2016</b> (Last Updated: 12/01/2014)		MINNESOTA OFFICE OF HIGHER EDUCATION	
1. Name (Last, First, Middle)			
2. Student SSN/Student Number	3. Date of Birth (month, day, year)	4. Telephone Number (include area code)	
5. Permanent Home Address		6. 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 college or university you are attending or plan to attend:		10. Have you completed a FAFSA? <input type="checkbox"/> Yes <input type="checkbox"/> No	
11. List the number of credits you plan to be enrolled for in each term below:			
_____	_____	_____	_____
Summer 2015	Fall 2015	Winter 2015/2016	Spring 2016
12. I am (check the applicable box below):			
<input type="checkbox"/> Veteran who is serving or has served honorably in the U.S. armed forces at any time. ( <b>Note:</b> Includes service members who meet veteran definition but are serving actively and have not yet been discharged.)			
<input type="checkbox"/> Non-veteran who has served honorably in any active National Guard or reserve component of the U.S. armed forces for 5 or more years cumulatively and some part of that service occurred on or after September 11, 2001.			
<input type="checkbox"/> Spouse or <input type="checkbox"/> dependent of a person who has served in the military at any time 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. ( <b>Note:</b> Must be currently eligible to receive federal dependent education benefits under Chapter 35 or Chapter 33.)			
13. When did the service member serve in the military?		14. Periods of active duty for service person:	
From _____ to _____		From _____ to _____	
		From _____ to _____	
15. <b>Circle</b> branch of service for service person:		16. <b>Circle</b> type of military service for service person:	
Army    Marines    Navy    Air Force    Coast Guard		Regular    National Guard    Reserve	
17. Is the service member still serving?		18. If no, did the service member receive an honorable discharge?	
<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
19. Have you received Minnesota GI Bill funds at another college during this year (July 1, 2015 to June 30, 2016)?			
<input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, which college? _____			
What federal or military education benefits have you applied for, are you receiving or do you expect to receive this year:			
<input type="checkbox"/> Montgomery GI Bill-Active Duty (Ch 30)		<input type="checkbox"/> Survivors and Dependents Assistance (Ch 35)	
<input type="checkbox"/> Post 9/11 GI Bill (Ch 33)		<input type="checkbox"/> Reserve Educational Assistance (Ch 1607)	
<input type="checkbox"/> Montgomery GI Bill-Selected Reserve (Ch 1606)		<input type="checkbox"/> Other Federal Military or Veterans Education Benefits (Please list name of program):	
<input type="checkbox"/> Federal Tuition Assistance/Army Continuing Education			
<input type="checkbox"/> VA Vocational Rehab (CH 31)			
<b>STUDENT CERTIFICATION:</b> Please check the box next to each 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 Office of Higher Education and the Minnesota Department of Veterans Affairs to share information and documentation with each other as well as with other offices administering financial aid and veteran's benefits programs in order to verify information provided on this application.			
<input type="checkbox"/> If I am a National Guard member, I give permission to the MNARNG Education Office to enter the information from this application onto the web-based application on my behalf.			
<input type="checkbox"/> I give permission to my college, the Office of Higher Education and the Minnesota Department of Veterans Affairs 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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<b>Minnesota GI Bill Program Application</b> <b>2015-2016</b> (Last Updated: 12/01/2014)	MINNESOTA OFFICE OF HIGHER EDUCATION	
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### What's the Application Process?

- Step 1: You submit this application once each academic year. You can turn it in to your college, the Minnesota Department of Veterans Affairs or the MN National Guard Education Office. It can also be completed online [www.ohe.state.mn.us](http://www.ohe.state.mn.us).
- Step 2: Your eligibility as a Veteran, Non-Veteran, Spouse or Dependent will be verified by the MN Department of Veterans Affairs. You may be contacted to provide additional documentation like your DD214 or other discharge documents.
- Step 3: Your college's financial aid office will notify you if you qualify for an award. You must complete the Free Application for Federal Student Aid (FAFSA) before the college can determine if you qualify.

### Who is eligible?

In general, you must be all of the following:

- A current **Minnesota Resident** for state financial aid purposes (see below)
- An eligible **veteran, non-veteran, spouse or dependent**
- Enrolled in an eligible and participating postsecondary institution located in Minnesota
- Enrolled in a certificate, diploma, or degree program
- Making satisfactory academic progress in your academic program
- Less than 62 years old at the beginning of the term
- Current on child support obligations, if applicable

You are a **Minnesota Resident** for state financial aid purposes (Application Question #8) if you meet one of the following:

- Graduated from a MN high school while residing in MN and, if currently residing in another state, physically attending a MN college
- Received a GED in Minnesota after living in the state for at least one year
- Lived in MN for at least one year for other than educational purposes (not enrolled for more than 5 credits in any term during that time).
- Are a member (or spouse or dependent of) of the U.S. armed forces stationed in Minnesota for active federal military service
- A spouse or dependent of a veteran who is a MN Resident
- Additional ways you may be considered a MN Resident available at: [www.ohe.state.mn.us/mnresident](http://www.ohe.state.mn.us/mnresident)

### How much is the award?

If you meet the basic eligibility requirements, your financial aid office will determine how much you are eligible to receive each term. Any amount you are receiving in Pell Grant, State Grant and/or federal military or veterans education benefits (except VRAP) is taken into account when your award is calculated. The number of credits you are taking may also impact your eligibility and award amount.

Each academic year (July 1 through June 30) you may receive up to \$3,000. The most you can ever receive is \$10,000 (lifetime maximum).

Retroactive awards are not allowed. You must apply by the last day of the term in order to be awarded beginning in that term.

The maximum award you are eligible to receive each term is based on whether you are enrolled full time or part time (see chart below).

Undergraduate Students		Graduate Students	
Part Time	Full Time	Part Time	Full Time
Less than 12 credits	12 credits or more	As defined by college	As defined by college
Up to \$500 per term	Up to \$1,000 per term	Up to \$500 per term	Up to \$1,000 per term

### Where can you get more information?

To learn more about this program, contact your college financial aid office or:

- The Office of Higher Education at (651) 642-0567 or (800) 657-3866
- Minnesota Department of Veterans Affairs Higher Education Veterans Programs at (800) 456-8519 or (888) LinkVet (546-5838)

### 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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<b>2015-2016 Minnesota GI Bill Eligibility Checklist and Calculator</b>			
Student Name		SSN/Student Number	
Date of Birth		Student is a MN Resident	
Student completed FAFSA		Program Level	
Student is a		Required Documentation Reviewed by MDVA	
School's Full-Time Annual State Grant Budget*			
*Full-time State Grant Budget consists of the lesser of full-time (30 semester credits/45 quarter credits) annual average or capped tuition and fees added to the annual LME used for that term. Use the parameters below to determine the appropriate budget based on the student's program.			
Tuition Caps	4-Year/Graduate Degree Program:	\$13,840	Annual Living and Miscellaneous Expense: \$8,828
	2-Year or Less Program:	\$ 5,736	
MN GI Bill Enrollment Level	Full Time		
MN GI Bill Full-Time Annual Cost of Attendance	\$0.00		
Number of Terms/Payment Periods in School's Academic Year			
MN GI Bill Full-Time Term Cost of Attendance	#DIV/0!		
Number of Credits for Which Student is Enrolled for Term			
Proration Multiplier for Enrollment Level	#N/A		
MN GI Bill Term Cost of Attendance (Prorated for Enrollment Level)	#DIV/0!		
Student Term Federal Pell Grant Amount			
Student Term State Grant Amount			
Student Term Montgomery GI Bill (Chapter 30, 31, 32, 33, 35, 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 (Includes ROTC and ROTC Allowances)			
Student Term Remaining Need	#DIV/0!		
Student Term MN GI Bill Award Amount**	#DIV/0!		
**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 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. <b>REMINDER: ALL students must submit a FAFSA in order to be eligible, including graduating students.</b>			
**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. <b>REMINDER: ALL students must submit a FAFSA in order to be eligible, including graduating students.</b>			
Institution Name		Student Eligible	
School Official Name		Date Award Calculated	
<b>Notice: Users of this spreadsheet are responsible for the accuracy of all calculations. Shaded boxes are school fields and each must be completed in order for calculator to work properly!</b>			
Created by Megan FitzGibbon – Manager of State Scholarship Programs – MN Office of Higher Education			
Form Revised – 06/25/2015			



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<b>Minnesota GI Bill Award Notice</b> <b>2015-2016</b> (Last Updated: 01/07/2015)	 
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Student's Name		Student SSN/Student Number	
College or University Name		Date (month/day/year)	
Term	Term Dates	Number of Credits	Term Award Amount
			\$
			\$
			\$
			\$
			\$
Total Award for the 2015-2016 Academic Year			\$

**What does this mean?**

Your college verified your basic eligibility for the Minnesota GI Bill and estimated the amount you qualify for each term. This is a notice only and is subject to change. Also, all awards are subject to availability of funds.

**What's next?**

Any changes in your FAFSA, Pell Grant, State Grant, federal military and veterans education benefits or the number of credits you are taking may cause your MN GI Bill and overall financial aid award package to be adjusted.

So you should notify your college if you:

- are considering making changes to your FAFSA,
- expect the amount you are receiving in federal military or veterans education benefits to change; or
- change the number of credits you are taking or plan to take.

**How is your award amount calculated?**

Any amount you are receiving in Pell Grant, State Grant or federal military or veterans education benefits (except VRAP) is taken into account when your final award is calculated each term. This includes both benefits sent directly to your college and those sent directly to you. The number of credits you are taking each term may also impact your eligibility and award amount.

Each academic year (July 1 through June 30) you may receive up to \$3,000.

The most you can ever receive is \$10,000 (lifetime maximum).

You must apply by the last day of the term in order to be awarded beginning in that term. Retroactive awards are not allowed.

The maximum award you are eligible to receive is based on whether you are enrolled full time or part time (see chart below).

Undergraduate Students		Graduate Students	
Part Time	Full Time	Part Time	Full Time
Less than 12 credits	12 credits or more	As defined by college	As defined by college
Up to \$500 per term	Up to \$1,000 per term	Up to \$500 per term	Up to \$1,000 per term



**Where can you get more information?**

To learn more about this program contact **your college financial aid office** or:

- The Office of Higher Education at (651) 642-0567 or (800) 657-3866
- Minnesota Department of Veterans Affairs Higher Education Veterans Programs at (800) 456-8519 or (888) LinkVet (546-5838)



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<b>Minnesota GI Bill Denial/Termination Notice</b> <b>2015-2016</b> (Last Updated: 06/03/2015)		 
Student's Name	Student SSN/Student Number	
College or University Name	Date (month/day/year)	
<p>Your college determined you are not eligible due to the reason or reasons checked below:</p> <p><input type="checkbox"/> You have no remaining need in the award calculation Any amount you are receiving in Pell Grant, State Grant or federal military or veterans education benefits (except VRAP) is taken into account when your college determines if you qualify for an award. Benefits sent directly to your college and those sent directly to you are included. The number of credits you are taking each term may also impact your eligibility.</p> <p><input type="checkbox"/> You are not a Minnesota Resident Student For info on who is considered a Minnesota Resident Student, go to <a href="http://www.ohe.state.mn.us/mnresident">www.ohe.state.mn.us/mnresident</a></p> <p><input type="checkbox"/> You are a graduate student and not enrolled at least part time</p> <p><input type="checkbox"/> You are not currently meeting your college's Satisfactory Academic Progress requirements</p> <p><input type="checkbox"/> You are not currently in compliance with child support payments</p> <p><input type="checkbox"/> You turned 62 years of age before the beginning of the term</p> <p><input type="checkbox"/> You have received the maximum annual or lifetime awards Each academic year (July 1 through June 30) you may receive up to \$3,000. The most you can ever receive is \$10,000 (lifetime maximum).</p> <p><input type="checkbox"/> You have not completed a Free Application for Federal Student Aid (FAFSA) Before the college can determine if you qualify, you must complete the FAFSA and the financial aid application process at your college.</p> <p><input type="checkbox"/> Your application is incomplete</p> <p><input type="checkbox"/> Other: _____ _____ _____</p>		
<p><b>Can you appeal?</b> You can appeal this denial or termination in writing at any time. The Office of Higher Education reviews appeals and determines if your college's actions were in compliance with the law. You should mail written appeals to: MN GI Bill Program, Office of Higher Education, 1450 Energy Park Drive, Suite 350, St. Paul, MN 55108-5227.</p> <p><b>Where can you get more information?</b> To learn more about this notice contact <b>your college financial aid office</b> or:</p> <ul style="list-style-type: none"> <li>• The Office of Higher Education at (651) 642-0567 or (800) 657-3866</li> <li>• Minnesota Department of Veterans Affairs Higher Education Veterans Programs at (800) 456-8519 or (888) LinkVet (546-5838)</li> </ul>		







**Greater  
Minnesota  
Internship  
Tax  
Credit  
Program**

**2015-2016**



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## **I. Greater Minnesota Internship Tax Credit Program**

### **A. Program Objective**

1. To stimulate businesses to hire postsecondary students as interns and assist participating interns in finding permanent career positions by providing academic credit at participating postsecondary institutions to participating postsecondary students employed as interns in greater Minnesota (Counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright) and tax credits for participating employers who hire eligible postsecondary students as interns in greater Minnesota.

### **B. Eligibility to Participate**

#### **1. Postsecondary Institutions**

To be eligible, a postsecondary institution must be located in Minnesota and must:

- a. complete a Participation Agreement form provided by the Office; and
- b. be a public postsecondary institution or a Minnesota private, nonprofit, baccalaureate degree-granting college or university.

#### **2. Student**

To be eligible, a student must:

- a. be enrolled in an participating institution; and
- b. have completed one-half of the credits necessary for the respective degree or certification; and
- c. not employed by an eligible employer to fulfill degree or certificate requirements as part of his or her academic program's curriculum.
  - i. For example, a student enrolled in a nursing program and employed by an eligible employer to complete clinical hours or a student enrolled in an auto body repair program completing required internship credits as an employee of an auto body repair shop.

### **C. Arranging Eligible Internship Positions**

1. A written agreement must be entered into between the postsecondary institution, the internship provider/employer and the student.

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2. At a minimum, the agreement must specify the following:
  - a. Postsecondary institution agrees that:
    - i. the student is eligible to participate; and
    - ii. the work experience of the internship is related to the eligible student's course of study; and
    - iii. the necessary academic forms have been submitted in order for academic credit to be awarded to the student upon successful completion of the internship experience.
  - b. Internship Provider/Employer agrees that the student:
    - i. would not have been hired without the tax credit; and
    - ii. did not work for the Internship Provider/Employer in a same or similar job prior to the Internship Start Date listed on the agreement; and
    - iii. does not replace a current employee; and
    - iv. has not previously participated in the program; and
    - v. will be employed at a location in greater Minnesota (Counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright); and
    - vi. will be paid at least minimum wage; and
    - vii. will work for a minimum of 16 hours per week for at least 8 weeks; and
    - viii. will be supervised and evaluated.
  - c. The student agrees to:
    - i. complete any requirements established by my college including, but not limited to, assignments, tasks or a final project/paper in order to receive academic credit for successful completion of the internship experience; and
    - ii. give permission to his or her college, the Office of Higher Education and the internship provider/employer to share information and documentation about the internship experience with each other including, but not limited to, attendance, wage and performance evaluation records.
  - d. In addition, the agreement must also specify the following:
    - i. Internship provider/employer information including:
      - name of organization/company or business; and
      - Federal Employer Identification Number (FEIN); and
      - Minnesota Tax ID.

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- ii. Internship experience information including:
    - student name
    - name and contact information for the Faculty or Academic Representative who is responsible for awarding academic credit upon successful completion of the internship experience; and
    - internship start and end dates; and
    - approximate hours per week the student will work; and
    - hourly wage the student will be paid; and
    - county in which internship experience will take place.
  - iii. The postsecondary institution and the internship provider/employer agree to annually report to the Office:
    - the number of interns hired; and
    - the number of hours and weeks worked by interns; and
    - the compensation paid to interns.
  - iv. Certification by the postsecondary institution of the maximum tax credit amount for which the internship provider/employer may apply after the student listed on the agreement has successfully completed the internship experience.
    - The maximum tax credit amount is \$2,000 per student intern.
3. A participating postsecondary institution may design its own agreement form or modify an existing institutional form however the form must include the minimum requirements listed above.
    - a. A template is provided in the Appendix of this chapter.
  4. Signed agreements must be on file at the postsecondary institutions and are subject to state audit reviews. A sample contract is provided in Appendix

#### **D. Application for Tax Credit Process**

1. Employers may apply for a Greater Minnesota Internship Tax Credit if:
  - a. There is a signed agreement with an eligible and participating postsecondary institution that certifies:

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- i. the employee was an eligible student during the tax year; and
    - ii. a maximum tax credit amount for the student listed on the agreement; and
    - iii. documentation from the postsecondary institution showing the student successfully completed the internship experience and was awarded academic credit.
  - b. The tax credit amount for which an eligible employer may apply is based on the following formula:
    - i. 40 percent of the compensation paid to an eligible student intern during the internship experience; and
    - ii. not to exceed \$2,000 per student intern or the maximum amount certified by the postsecondary institution on the signed agreement.
2. The Minnesota Department of Revenue will provide a form beginning in Tax Year 2013 for eligible employers to use when completing their annual taxes.

#### **E. Allocation of Tax Credits by Postsecondary Institutions to Internship Providers/Employers**

1. The amount of tax credits available for postsecondary institutions to allocate to eligible employers is limited.
  - a. The total amount of tax credits allocated must not exceed \$2,000,000.
2. Each year, postsecondary institutions will be asked to provide an estimated number of eligible students they expect to be able to place with eligible employers in eligible internship experiences for the next tax year.
  - a. Postsecondary institutions will provide this estimate on the annual participation agreement.
3. Based on the estimates provided by postsecondary institutions, an initial notice will be provided which will indicate the maximum allowable tax credits each eligible and participating institution may allocate.
4. Throughout the tax year, postsecondary institutions will be asked to report:



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- a. the number and amount of tax credits allocated; and
  - b. any change in the estimated number of tax credits it will be able to allocate; and
  - c. the number, if any, of eligible internship providers/employers on a waiting list who have internship opportunities for which no eligible students have been placed due to the limited amount of tax credits available at the postsecondary institution.
5. Based on the information provided by postsecondary institutions throughout the tax year, the Office will:
- a. notify postsecondary institutions with excess tax credits available of a reduction in the amount of available tax credits available for the postsecondary institution to allocate; and
  - b. will reallocate excess tax credits to postsecondary institutions with waiting lists.

## **F. State Audit Requirements**

### **1. Records Available for Auditors**

- a. OHE auditors will periodically visit each participating postsecondary institution to perform an audit.
- b. The postsecondary institution 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. The postsecondary institution must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the postsecondary institution. 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 postsecondary institution.
- d. The postsecondary institution must maintain and make available to auditors individual student registration and financial aid files (only if student applied for financial aid) for each student listed on an annual application.
- 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**

- a. The postsecondary institution must have written documentation that each student listed on an annual application meets all of the program eligibility requirements described in the ‘Eligibility to Participate’ section in this chapter.

**3. Internship Provider/Employer Agreements**

- a. During an audit review, the postsecondary institution must be able to produce internship provider/employer agreements as described in the ‘Arranging Eligible Internship Positions’ section of this chapter.



**Minnesota  
Statutes  
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Greater  
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Internship  
Tax  
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### **136A.129 GREATER MINNESOTA INTERNSHIP PROGRAM.**

#### **Subdivision 1. Definitions.**

- (a) For the purposes of this section, the terms defined in this subdivision have the meanings given to them.
- (b) “Eligible employer” means a taxpayer under section 290.01 with employees located in greater Minnesota.
- (c) “Eligible institution” means a Minnesota public postsecondary institution or a Minnesota private, nonprofit, baccalaureate, or graduate degree-granting college or university.
- (d) “Eligible student” means a student enrolled in an eligible institution who has completed one-half of the credits necessary for the respective degree or certification, including a graduate degree.
- (e) “Greater Minnesota” means the area of the state outside of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.

Subd. 2. **Program established.** The Office of Higher Education shall administer a greater Minnesota internship program through eligible institutions to provide credit at the eligible institution for internships and tax credits for eligible employers who hire interns for employment in greater Minnesota.

#### **Subd. 3. Program components.**

- (a) An intern must be an eligible student who has been admitted to a major program that is related to the intern experience as determined by the eligible institution.
- (b) To participate in the program, an eligible institution must:
  - (1) enter into written agreements with eligible employers to provide internships that are at least eight weeks long and located in greater Minnesota; and
  - (2) provide academic credit for the successful completion of the internship or ensure that it fulfills requirements necessary to complete a vocational technical education program.
- (c) To participate in the program, an eligible employer must enter into a written agreement with an eligible institution specifying that the intern:
  - (1) would not have been hired without the tax credit described in subdivision 4;
  - (2) did not work for the employer in the same or a similar job prior to entering the agreement;
  - (3) does not replace an existing employee;
  - (4) has not previously participated in the program;
  - (5) will be employed at a location in greater Minnesota;

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- (6) will be paid at least minimum wage for a minimum of 16 hours per week for a period of at least eight weeks; and
- (7) will be supervised and evaluated by the employer.
- (d) The written agreement between the eligible institution and the eligible employer must certify a credit amount to the employer, not to exceed \$2,000 per intern. The total dollar amount of credits that an eligible institution certifies to eligible employers in a calendar year may not exceed the amount of its allocation under subdivision 4.
- (e) Participating eligible institutions and eligible employers must report annually to the office. The report must include at least the following:
  - (1) the number of interns hired;
  - (2) the number of hours and weeks worked by interns; and
  - (3) the compensation paid to interns.
- (f) An internship required to complete an academic program does not qualify for the greater Minnesota internship program under this section.

**Subd. 4. Tax credit allowed.** An employer is entitled to a tax credit as provided in section 290.06, subdivision 36. The total amount of credits allocated in a calendar year must not exceed \$2,000,000. The office shall determine relevant criteria to allocate the tax credits including the geographic distribution of credits to work locations outside the metropolitan area, and shall allocate credits to eligible institutions that meet the criteria on a first-come, first-served basis. Any credits allocated to an institution but not used may be reallocated to eligible institutions. The office shall allocate a portion of the administrative fee under section 290.06, subdivision 36, to participating eligible institutions for their administrative costs.

**Subd. 5. Reports to the legislature.**

- (a) By February 1, 2016, the office and the Department of Revenue shall report to the legislature on the greater Minnesota internship program. The report must include at least the following:
  - (1) the number and dollar amount of credits allowed;
  - (2) the number of interns employed under the program; and
  - (3) the cost of administering the program.
- (b) By February 1, 2017, the office and the Department of Revenue shall report to the legislature with an analysis of the effectiveness of the program in stimulating businesses to hire interns and in assisting participating interns in finding permanent career positions. This report must include the number of

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students who participated in the program who were subsequently employed full-time by the employer.

**History:** 2013 c 143 art 6 s 4

## **290.06 RATES OF TAX; CREDITS.**

### **Subdivision 36. Greater Minnesota internship credit.**

- (a) A taxpayer who is an eligible employer may take a credit against the tax due under this chapter equal to the lesser of:
- (1) 40 percent of the compensation paid to an intern qualifying under the program established under section 136A.129, but not to exceed \$2,000 per intern; or
  - (2) the amount certified to the taxpayer by an eligible institution out of the institution's allocation of credits for the calendar year, as provided in section 136A.129.
- (b) Credits allowed to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's income for the taxable year.
- (c) If the amount of credit which the taxpayer is eligible to receive under this subdivision exceeds the taxpayer's tax liability under this chapter, the commissioner of revenue shall refund the excess to the taxpayer.
- (d) An amount necessary to pay claims for refund provided in this subdivision is appropriated from the general fund to the commissioner of revenue.
- (e) An amount equal to one percent of the total amount of the credits authorized under section 136A.129, subdivision 4, for an administrative fee for the Office of Higher Education and participating eligible institutions is appropriated from the general fund to the commissioner of revenue, for a transfer to the Office of Higher Education.
- (f) For purposes of this subdivision, the terms "eligible employer" and "eligible institution" have the meanings given in section 136A.129.







**Appendices:  
Greater  
Minnesota  
Internship  
Tax  
Credit  
Program**



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**Appendix: Greater Minnesota Internship Tax Credit Program**

Appendix

Greater Minnesota Internship Tax Credit Agreement Templates..... 1



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## Greater Minnesota Internship Tax Credit Tax Year 2015 Student Agreement

**MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION**

<b>SECTION 1: Student Information</b>		
Student Name (Last, First, Middle)		
Student Postsecondary Institution	Student Academic Program/Major	
Student SSN/Student Number	Phone Number	
Address	Email Address	
City	State	ZIP Code
<b>SECTION 2: Employer/Supervisor Information</b>		
Internship Provider/Employer Name		
Address of Internship Location	County	
City	State	ZIP Code
Internship Supervisor Name	Title	
Phone Number	Email Address	
<b>SECTION 3: Student Certification</b>		
<b>Please check the box next to each statement indicating you have read and understand each statement:</b>		
<input type="checkbox"/> The information I provide as part of this agreement is true and complete, to the best of my knowledge.		
<input type="checkbox"/> I give permission to my college, the Office of Higher Education and my internship provider/employer to share information and documentation about my internship experience with each other including, but not limited to, attendance, wage and performance evaluation records.		
<input type="checkbox"/> In order for me to receive academic credit for this internship experience, I must complete any requirements established by my college including, but not limited to, assignments, tasks or a final project/paper.		
<input type="checkbox"/> I will perform all tasks assigned by my internship provider/employer to the best of my ability.		
<input type="checkbox"/> I will keep regular attendance and be on time, both at school and at my internship site, and I will promptly notify my internship provider/employer if unable to report.		
<input type="checkbox"/> I understand placement and participation in this internship experience is not employment with my college and I will not be covered by my college's workers compensation coverage.		
<input type="checkbox"/> I understand I will not receive any money, compensation or benefits of any kind from my college in exchange for this internship experience.		
<input type="checkbox"/> I understand participation in this internship experience does not promise or guarantee employment with my internship provider/employer after this internship experience ends.		
Student Signature	Date (month, day, year)	

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## Greater Minnesota Internship Tax Credit Tax Year 2015 Internship Provider/Employer Agreement

**MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION**

<b>SECTION 1: Internship Provider/Employer Information</b>			
Internship Provider/Employer Name			
FEIN	Minnesota Tax ID	Main Phone Number	
Address		County	
City	State	ZIP Code	
Type of Business <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Fiduciary <input type="checkbox"/> Tax-Exempt Organization			
<b>SECTION 2: Student/Internship Experience Information</b>			
Student Name (Last, First, Middle)			
Internship Start Date	Internship End Date	Approx. hours per week	Hourly wage
Address of Internship Location		County	
City	State	Zip Code	
Internship Supervisor Name		Title	
Phone Number		Email Address	
<b>SECTION 3: Internship Provider/Employer Certification</b>			
<b>Please check the box next to each statement indicating you have read and understand each statement:</b>			
<input type="checkbox"/> The information I provide as part of this agreement is true and complete, to the best of my knowledge. <input type="checkbox"/> I certify that the Internship Provider/Employer is a private organization eligible to participate in this program. <input type="checkbox"/> I certify, the student intern/employee listed on this agreement: <ul style="list-style-type: none"> <li><input type="radio"/> would not have been hired without the tax credit; and</li> <li><input type="radio"/> did not work for the Internship Provider/Employer in a same or similar job prior to the Internship Start Date listed on this agreement; and</li> <li><input type="radio"/> does not replace a current employee; and</li> <li><input type="radio"/> has not previously participated in the program; and</li> <li><input type="radio"/> will be employed at a location in greater Minnesota (counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright); and</li> <li><input type="radio"/> will be paid at least minimum wage; and</li> <li><input type="radio"/> will work for a minimum of 16 hours per week for at least 8 weeks; and</li> <li><input type="radio"/> will be supervised and evaluated.</li> </ul> <input type="checkbox"/> I certify the Internship Provider/Employer will provide the college and/or the Office of Higher Education with an annual report regarding student interns/employees employed as part of this program which must include, but is not limited to: the number employed, number of hours and weeks worked, compensation paid and the number of student interns employed full-time after the internship end date.			
Signature of Internship Provider/Employer Representative			Date (month, day, year)
Print Name			Title

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## Greater Minnesota Internship Tax Credit Tax Year 2015 Postsecondary Institution Agreement

**MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION**

<b>SECTION 1: Postsecondary Institution Information</b>	
Postsecondary Institution Name	School Code
<b>SECTION 2: Student/Internship Experience Information</b>	
Student Name (Last, First, Middle)	Student SSN/Student Number
Student Academic Program/Major	
Faculty/Academic Representative (Responsible for Awarding Academic Credit)	Phone
Internship Provider/Employer Name	Phone
<b>SECTION 3: Postsecondary Institution Certification</b>	
<b>Please check the box next to each statement indicating you have read and understand each statement:</b>	
<input type="checkbox"/> The information I provide as part of this agreement is true and complete, to the best of my knowledge. <input type="checkbox"/> I certify the Postsecondary Institution is eligible to participate in this program and has completed a participation agreement with the Office of Higher Education. <input type="checkbox"/> I certify the student listed on this agreement has: <ul style="list-style-type: none"> <li><input type="checkbox"/> completed one-half of the credits necessary to complete his/her degree or certificate program; and</li> <li><input type="checkbox"/> submitted the necessary academic forms in order for academic credit to be awarded upon successful completion of this internship experience.</li> </ul> <input type="checkbox"/> I certify, based on information provided by the Internship Provider/Employer, student and/or a faculty/academic representative, this internship experience is related to the student's course of study. <input type="checkbox"/> I certify, the Postsecondary Institution will notify the Internship Provider/Employer: <ul style="list-style-type: none"> <li><input type="checkbox"/> if the student is no longer enrolled and/or eligible to participate in the program during the internship experience; and</li> <li><input type="checkbox"/> whether or not the student is awarded academic credit after completing the internship experience.</li> </ul> <input type="checkbox"/> I certify the Postsecondary Institution will provide to the Office of Higher Education an annual report regarding students participating in this program which must include, but is not limited to: the number of participating students, number of hours and weeks of expected work, expected compensation and the number of credits provided to participating students upon successful completion of internships as part of this program.	
<b>SECTION 4: Tax Credit Amount Certification</b>	
<input type="checkbox"/> I certify the Internship Provider/Employer, upon successful completion of this internship experience by the above student, is eligible for a Greater Minnesota Internship Tax Credit of up to: <b>\$2,000</b>	
Signature of Postsecondary Institution Representative	Date (month, day, year)
Print Name	Phone Number







**Minnesota  
Tribal  
College  
Supplemental  
Grant  
Assistance  
Program**

**2015-2016**



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## **I. Tribal College Supplemental Grant Assistance (TCSGA)**

### **A. Program Objective**

1. To provide financial assistance to tribally controlled colleges to support the education of students enrolled at the colleges who are Minnesota resident students but not enrolled members of a federally recognized Indian tribe.

### **B. Eligibility to Participate**

#### **1. Postsecondary Institutions**

To be eligible, a postsecondary institution must be:

- a. An accredited postsecondary institution of higher education; and
- b. Located in Minnesota; and
- c. Formally controlled by or formally sanctioned or chartered by the governing body of a federally recognized Indian tribe or a combination of federally recognized Indian tribes; and
- d. Not a postsecondary institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

#### **2. Student Eligibility**

Each student listed on an annual application for TCSGA funds must be:

- a. A Minnesota resident student (see ‘Resident Student’ in the ‘Common Definitions’ chapter of the State Financial Aid Manual); and
- b. A nonbeneficiary student defined as a student enrolled in an eligible postsecondary institution who is not an enrolled member of a federally recognized Indian tribe.

### **C. Application Process**

1. A complete application must be received by the stated deadline in order for a postsecondary institution to receive funds.
2. Complete application includes:
  - a. Completed Tribal College Supplemental Grant Assistance form (See Appendix 1).
    - i. Signed by postsecondary institution president.

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- ii. May be submitted in paper form or uploaded via a secure web interface provided by the Office.
- b. Listing of nonbeneficiary Minnesota resident students.
  - i. Completed spreadsheet form provided by the Office.
  - ii. Must be uploaded via a secure web interface provided by the Office.
- c. Audit Report or Financial Statement.
  - i. Postsecondary institution's most recent audit report or financial statement.
  - ii. May be submitted in paper form or uploaded via a secure web interface provided by the Office.
- d. Detailed account of the expenditures of TCSGA funds.
  - i. Not required until postsecondary institution has received initial year of TCSGA funds.
  - ii. May be submitted in paper form or uploaded via a secure web interface provided by the Office.

#### **D. Award Process**

1. Awards are calculated based on the information provided in the annual application by the postsecondary institution.
2. Annual awards are based on the number of eligible Minnesota resident full-time equivalent (FTE) nonbeneficiary students enrolled during the award/fiscal year July 1 to June 30.
  - a. For TCSGA purposes, all summer terms are considered leading terms.
    - i. All summer enrollments for which TCSGA funds are requested must be listed on the same annual application as enrollments for the fall term in that year.
3. Full-time equivalent (FTE) is defined as sum of credits for which all nonbeneficiary Minnesota resident students are enrolled in a semester, divided by 30 (minimum number of credits for which a student must be enrolled in a semester based academic year to be considered full-time). See also Minnesota Statutes 136A for definition of 'Full Time' and 'Academic Year' in the 'Common Definitions' chapter of the State Financial Aid.

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- a. Eligible postsecondary institutions with nonbeneficiary Minnesota resident students enrolled in programs that are not semester based must contact the Office for a modified FTE calculation formula.
  
4. Annual awards are based on the following calculation (See Minnesota Statutes 136A.1796):
  - a. Sum of the annual FTE nonbeneficiary Minnesota resident students enrolled:
    - i. at the end of the leading summer and fall semesters; and
    - ii. as of the sixth week of the spring semester.
  - b. Multiplied by:
    - i. \$5,300; or
    - ii. if the amount appropriated is insufficient to cover the total amount of grant eligibility, a prorated amount specified by the Office.

## **E. Disbursement Process**

1. Disbursements are made directly to the eligible postsecondary institution.
  
2. Funds are transferred to the postsecondary institution via EFT.
  
3. Disbursements for the current fiscal year are generally made on or about April 15 of each year.
  
4. When TCSGA funds are received, the postsecondary institution must deposit the funds into a separate general ledger account.

## **F. State Audit Requirements**

1. **Records Available for Auditors**
  - a. OHE auditors will periodically visit each participating postsecondary institution to perform an audit.
  - b. The postsecondary institution 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

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‘Audits’ under the Common Definitions chapter of the Financial Aid Manual for further information.)

- c. The postsecondary institution must establish a procedure by which an audit can be conducted by going to no more than three administrative offices within the postsecondary institution. 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 postsecondary institution.
- d. The postsecondary institution must maintain and make available to auditors individual student registration and financial aid files (only if student applied for financial aid) for each student listed on an annual application.
- 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. **Postsecondary Institution Eligibility**

- a. The postsecondary institution must make available:
  - i. documentation of its current institutional accreditation status; and
  - ii. documentation verifying the postsecondary institution is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian tribe or a combination of federally recognized Indian tribes.

## 3. **Student Eligibility**

- a. The postsecondary institution must have written documentation that each student listed on an annual application meets all of the program eligibility requirements described in the ‘Student Eligibility’ section in this chapter.

## 4. **Use of Funds**

- a. The postsecondary institution must make available a detailed account of expenditures of TCSGA funds.





**Minnesota  
Statutes  
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Supplemental  
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## **136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.**

### **Subdivision 1. Definitions.**

- (a) As used in this section, the following terms have the meanings given them.
- (b) “Nonbeneficiary student” means a resident of Minnesota who is enrolled in a tribally controlled college but is not an enrolled member of a federally recognized Indian tribe.
- (c) “Tribally controlled college” means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian tribe, or a combination of federally recognized Indian tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

### **Subd. 2. Eligibility; grant assistance.**

- (a) A tribally controlled college is eligible to receive supplemental grant assistance from the Office of Higher Education, as provided in this section, for nonbeneficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.
- (b) The office shall make grants to tribally controlled colleges to defray the costs of education associated with the enrollment of nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.

### **Subd. 3. Grant application.**

To receive a grant under this section, a tribally controlled college must submit an application in the manner required by the Office of Higher Education. Upon submission of a completed application indicating that the tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per nonbeneficiary student on a full-time equivalent basis.

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**Subd. 4. Reporting by recipient institutions.**

Each tribally controlled college receiving a grant under this section shall provide to the Office of Higher Education, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each nonbeneficiary student for which grant assistance is sought under this section.

**History:** 2013 c 99 art 2 s 11



**Appendices:  
Minnesota  
Tribal  
College  
Supplemental  
Grant  
Assistance  
Program**



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## Appendices: Tribal College Supplemental Grant Assistance

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**Minnesota Tribal College Supplemental Grant Assistance  
2015-2016 (Fiscal Year 2016) Application**

**MINNESOTA  
OFFICE OF  
HIGHER  
EDUCATION**

<b>SECTION 1: INSTITUTION INFORMATION</b>		
Postsecondary Institution		
Contact Name	Phone Number	
Address	Email Address	
City	State	Zip Code
<b>SECTION 2: INSTITUTION CERTIFICATION</b>		
<input type="checkbox"/> I certify the information provided as part of this application is true and complete to the best of my knowledge. <input type="checkbox"/> I certify the residency documentation for each student reported on this application is on file and the documentation confirms each non-beneficiary student reported meets the current definition of a Minnesota Resident Student in Minnesota Statutes 136A.101 Subd. 8. <input type="checkbox"/> I certify all students reported on this application are considered federal non-beneficiary students and are not enrolled members of a federally recognized American Indian tribe.		
President Name (Printed)	Title (Printed)	
President Signature	Date (month, day, year)	
<b>SECTION 3: APPLICATION CHECKLIST</b>		
Please ensure the following is completed and uploaded via a secure web interface provided by Minnesota Office of Higher Education prior to the application deadline of <b>March 18, 2016</b> :		
<input type="checkbox"/> <b>Application Form</b> <ul style="list-style-type: none"> <li>• Top portion of this page</li> <li>• To be signed by postsecondary institution president</li> </ul>		
<input type="checkbox"/> <b>Listing of Non-Beneficiary Minnesota Resident Students</b> <ul style="list-style-type: none"> <li>• Spreadsheet form provided by Minnesota Office of Higher Education</li> <li>• To be completed and submitted by postsecondary institution</li> </ul>		
<input type="checkbox"/> <b>Audit Report or Financial Statement</b> <ul style="list-style-type: none"> <li>• Attach copy of postsecondary institution's most recent audit report or financial statement</li> <li>• To be submitted by postsecondary institution</li> </ul>		
<input type="checkbox"/> <b>Detailed account of Tribal College Supplemental Grant Assistance fund expenditures</b> <ul style="list-style-type: none"> <li>• To be submitted by postsecondary institution</li> </ul>		
If you have questions and for information on how to upload application data, contact:	Megan FitzGibbon MN Office of Higher Education Tribal College Supplemental Grant Assistance 1450 Energy Park Drive, Suite 350 Saint Paul, Minnesota 55108 <a href="mailto:megan.fitzgibbon@state.mn.us">megan.fitzgibbon@state.mn.us</a> (651) 355-0606	



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**Minnesota Tribal College Supplemental Grant Assistance  
Instructions for Uploading Application Materials**



<p><b>Step 1:</b> Go to <a href="https://www.ohe.state.mn.us/ssl/tcsag/index.cfm">https://www.ohe.state.mn.us/ssl/tcsag/index.cfm</a></p> <p><b>Step 2:</b> Login to the Tribal College Supplemental Assistance Grant Web Access using the following:</p> <p style="padding-left: 40px;"><b>Username:</b> tcgrant <b>Password:</b> 53nd2OHE!</p> <p><b>Step 3:</b> Select name of postsecondary institution from the drop-down list</p> <p><b>Step 4:</b> Press <b>Browse</b> to locate and select the file to be uploaded</p> <p><b>Step 5:</b> Press <b>Upload</b> to upload the file to the Office of Higher Education server</p> <p><b>Step 6:</b> Click <b>Exit</b> link to securely exit the upload process</p>	
<p>If you have questions and for information on how to upload application data, contact:</p>	<p>Megan FitzGibbon MN Office of Higher Education Tribal College Supplemental Grant Assistance 1450 Energy Park Drive, Suite 350 Saint Paul, Minnesota 55108 <a href="mailto:megan.fitzgibbon@state.mn.us">megan.fitzgibbon@state.mn.us</a> (651) 355-0606</p>



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## Nonbeneficiary Student Listing

	A	B	C	D	E	F	G	H
	Fiscal Year	Inst Code	First Name	MI	Last Name	Suffix	SSN	DOB
1	2015	XXXXXX	John	M	Student	Jr.	XXXXXXXXXX	YYMMDD
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								

Only use Jr., Sr., II, III or other similar suffixes.  
Do not use Mrs., Ms. or Mr.

6-digit numeric text field with postsecondary institution code issued by U.S. Department of Education.

Report both **SSN** and **DOB** without slashes, dashes or other punctuation.  
**SSN**: 9-digit numeric text field.  
**DOB**: 8-digit numeric text field in year, month and date order.

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	I Current Street Address	J City	K State	L Zip Code	M Race/Ethnicity	N American Indian/Alaskan Native
1						
2	12345 First Avenue	St Paul	MN	55104	7	Yes
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						

Report yes or no to whether the student identified as American Indian or Alaskan Native regardless of Race/Ethnicity category reported for IPEDS data.  
Only report if data is available.

**Race/Ethnicity:** Report the race/ethnicity information provided in the most recent enrollment report submitted to IPEDS/NCES.

Use the numerical codes associated with the Race and Ethnic Standards for Federal Statistics and Administrative Reporting listed below:

Black or African American	1
American Indian or Alaskan Native	2
Asian	3
Hispanic or Latino of any race	4
White	5
Native Hawaiian or Other Pacific Islander	6
Two or more races	7
Nonresident alien	8
Race and ethnicity unknown	9

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	O	P	Q	R
1	Summer 2014 Credit Hours	Fall 2014 Credit Hours	Spring 2015 Credit Hours	Total Credit Hours-Summer, Fall and Spring
2	0	12	12	24
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				

Enter sum of credits listed in Summer, Fall and Spring.

**Credit Hours:** Report degree credit hours and exclude any non-degree credits.  
For Summer and Fall 2015, report completed credits as of the end of the academic term.  
For Spring 2016, report current credits as of the end of the sixth week of the academic term.

