

## **CHAPTER 3**

### **STATE SCHOLARSHIP AND GRANT PROCESSING**

#### **A. APPLICATION PROCESSING**

The federal Department of Education's Central Processing System processes applicant FAFSA information and distributes need analysis results to college and university officials at institutions listed by applicants. College and university officials receive this information electronically from the federal Department of Education on need analysis reports called Individual Student Information Records (ISIRs). Applicants are notified of processing results on Student Aid Report (SARs). SARs and ISIRs provide applicants' expected family contributions (EFCs).

#### **B. COMMISSION RECEIPT**

The Commission electronically receives need analysis information from the federal Department of Education's Central Processing System for all applicants that are indicated as Iowa residents on the FAFSA. All Iowa resident applicants are considered for state-funded student financial aid. However, only those Iowa resident applicants who list eligible Iowa colleges or universities on FAFSAs are placed on the Commission's Scholarship and Grant System as recipients.

The Commission uses Expected Family Contribution (EFC) and college and university budgets to calculate Iowa awards. Most awards are calculated by college and university officials using awarding parameters provided by the Commission and information from applicant ISIRs.

#### **C. CERTIFICATION OF RECIPIENTS**

Payment Certification Forms for each academic year are distributed to college and university officials prior to the beginning of the academic year. Officials must provide signed Certification Forms for each program under which students on their campuses will be certified for payment during the academic year. The use of an annual "blanket" Certification Form allows more timely payment, as changes and updates submitted electronically do not require additional Payment Certification forms with original signatures.

By signing and returning Payment Certification Forms, college and university officials certify that each student submitted for payment by the college or university is eligible for the program from which payment is being requested. It is important that college and university officials read Payment Certification Forms carefully, sign the forms, keep copies in

college or university files, and return the signed originals to Commission staff. No additional Certification Forms are required during the academic year. Completed Payment Certification Forms provide the Commission with the following assurances about student eligibility for state-funded student aid:

- Students are making Satisfactory Academic Progress as described in the college or university's written procedures.
- Students classified as full-time are enrolled for at least 12 credit hours per semester, or the quarter or trimester equivalent.
- Iowa Tuition Grant, Iowa Vocational-Technical Tuition Grant, All Iowa Opportunity Scholarship, All Iowa Opportunity Foster Care Grant, Iowa National Guard Educational Assistance, Barber and Cosmetology Arts and Sciences Tuition Grant, and Iowa Grant recipients classified as less than full-time are awarded grants which correspond to the number of hours enrolled.
- Iowa Tuition Grant recipients are not scheduled to receive grants that exceed the difference between the actual tuition and mandatory fee charges and the corresponding average tuition and fee charges at the Regent universities.
- Iowa Vocational-Technical Tuition Grant recipients are enrolled in eligible vocational-technical or career option programs as defined by the State Department of Education.
- Recipients do not owe refunds for, and are not in default on, student assistance awards or loans funded or subsidized by the United States Department of Education or the State of Iowa.
- Students are not receiving gift aid in excess of financial need, as established by the Commission (see Chapter 2).
- Students have received official notification of Iowa awards and notification of any adjustments made to the awards.
- All recipients meet the Iowa residency definition as described in Chapter 1 of this Guide.
- College officials will report disbursements by the Commission-defined reporting deadlines, listed in Chapter 3; and

- Ensuring overpayments are refunded to the Commission in accordance with the State Refund Procedures, as detailed in Chapter 2.

Commission staff will begin processing advance payments and additional student payments upon receipt of the Payment Certification Forms from the college or university.

#### **D. ADVANCE PAYMENTS**

The Commission's financial aid payment process begins approximately two weeks prior to the beginning of the fall and spring academic terms when the Commission makes advance payments for Iowa Tuition Grants and Iowa Vocational-Technical Tuition Grants. Fall term advances are based on staff's projection of the number of students expected to receive awards under each program as indicated by applicant information received from the federal Central Processing System. Spring term advances are based on the actual fall payments made to students at colleges and universities. For the fall term beginning with the 2010-11 academic year, Iowa National Guard Educational Assistance Program and All Iowa Opportunity Scholarship advance payments will only be made if Commission staff project a college to expend at least \$50,000 in funding for the fall term. All Iowa Opportunity Foster Care Grant projected fall term payments will be made in full.

Commission staff provides college and university officials with full annual payments at the beginning of the fall term for Iowa Grants and Barber and Cosmetology Arts and Sciences Tuition Grants. Full annual payments also are made under the Iowa Work-Study Programs for colleges and universities with annual payments that are expected to be \$50,000 or less. If college or university annual Iowa Work-Study payments are expected to be greater than \$50,000, funds will be disbursed in equal installments each August and January.

Payments are made to colleges and universities either by means of an Electronic Funds Transfer (EFT) or with a State warrant. College and university officials who choose to receive funds via EFT are notified by e-mail when funds are transferred to college or university accounts.

#### **E. PAYMENT FILES**

Commission staff notifies college and university officials at the beginning of each academic year when the Commission's State Scholarship and Grant Reporting System is available. The State Scholarship and Grant Reporting System (System) includes information about applicants who meet the Commission's general eligibility criteria. College and university

officials use the System to make adjustments to student awards for review and budget evaluation by Commission staff. Detailed web functions and processing information are included in the “User Guide” provided by the Commission (see Appendix C).

Many college and university officials have computer systems that allow them to download student information and provide it to Commission staff in a format approved by the Commission and, therefore, do not use the web application. These college and university officials provide the updated information electronically through the System. Detailed information is provided in the “User Guide” provided by the Commission (see Appendix C).

Scholarship and grant information must be updated by the dates specified by Commission staff. **The Commission may reject any awards or updates submitted after the following deadlines.** If a student fails to provide verification documentation to a financial aid office within a timeframe that would allow the college to report a disbursement on or before the corresponding reporting deadline, the student could lose state program eligibility for that term.

<b>Payment Terms and Deadlines</b>					
	<b>Term 1 Fall</b>	<b>Term 2 Winter</b>	<b>Term 3 Spring</b>	<b>Term 4 Spring</b>	<b>Term 5 Final</b>
	<b>(Semester / Quarter)</b>	<b>(Quarter)</b>	<b>(Semester)</b>	<b>(Quarter)</b>	<b>Summer / Accelerated</b>
File Due	October 15	January 2	February 15	April 1	June 1
Final Updates Due	December 1	February 15	April 1	June 1	July 15

Commission staff receives scholarship and grant payment information from college and university officials for each academic term.

## **F. TERM PAYMENTS**

When the Scholarship and Grant System has been updated by college and university officials, student information is reviewed by Commission staff to ensure that a FAFSA was received by the Commission’s deadline and that the student’s EFC is under the maximum allowed in the program under which payment is requested. Any discrepancies between information provided by the college or university and that held by the Commission’s data processing system must be resolved by Commission staff and college and university officials.

State warrants or Electronic Funds Transfers are requested for amounts that were not covered by advance payments.

## **G. CORRECTIONS**

College and university officials are responsible for making adjustments or corrections to applicants' financial aid applications, noting any changes in applicant files, and retaining detailed support documentation. Any changes in applicant or parent information or applicant status must be documented. Changes in eligibility should be reported to the Commission in one of the following ways:

- Students resubmit Student Aid Reports (SAR) with corrections or changes directly to the federal Central Processing System.
- College or university officials input changes and electronically send them to the Central Processing System (CPS).
- College or university officials make changes on the Commission's Scholarship and Grant System (the Commission does not forward this information to the CPS).

Commission staff uses updated information and corrections submitted by college and university officials for students that are processed through the federal Central Processing System (CPS). Corrections to student information not processed through the CPS must be updated by college and university officials.

Corrections to Expected Family Contributions and adjustments to state-funded awards made after submitting the fall term payment information must be reported electronically to the Commission. Generally, retroactive award adjustments are not permitted if applicants become eligible for state-funded grants after the published deadlines for submission of term award information. However, awards may be made to these students if Commission staff determines that sufficient funding is available after funding all applicants whose names were submitted by the deadline.

Aid administrators are encouraged to report all changes through the CPS. Documentation for any changes in EFC should be retained in applicant files.

### **EXAMPLE I – Iowa Vocational Technical Tuition Grant**

A student notifies college or university officials that parental income was incorrectly reported as \$49,000 on the FAFSA. The income actually was \$25,000. The newly computed EFC changes from \$4,200 to \$1,140. If the correction is processed by the Central Processing System or college or university before August 1, an adjustment on the fall term Payment File

will be made by the Commission's data processing system and need only be verified by college or university officials. If the recalculation is processed after August 1, the adjustment should be reported on the college or university Payment File.

### **EXAMPLE II – Iowa Tuition Grant**

A student enrolling at an independent college or university reports parental income as \$33,000, not the estimated \$65,000 provided on the FAFSA. A recalculation changes the EFC from \$14,000 to \$4,200, making the student eligible for an Iowa Tuition Grant. An adjustment should be made through the Central Processing System before August 1 or college or university officials must submit the adjustment on the fall Payment File.

College and university officials must retain all change documentation in applicant files and submit changes through the Central Processing System or directly to the Commission.

If changes on the Scholarship and Grant System are required subsequent to the initial submission of payment information, college and university officials must make updates as soon as possible. Corrections which increase the amount or number of awards must be submitted by the deadline specified by Commission staff **(see Payment Terms and Deadlines table above)**.

Awards generally will not be approved after the end of the term for which payment should have been requested. However, the Commission may approve these payments as special priority awards prior to the end of the academic year.

## **H. SPECIAL PRIORITY AWARDS**

Special priority awards may be authorized by Commission staff when state appropriations are sufficient and when it is determined to be impractical to increase the Expected Family Contribution (EFC). Upon notification from Commission staff, college and university officials should use professional judgment to identify students to receive special priority awards.

Students who have graduated or completed the terms of enrollment for which special priorities have been authorized may be awarded as long as they were eligible to receive funds at the time first-priority students were awarded had they been included in the initial awarding parameters.