Kutztown University Procedure ACA-063

Financial Aid Services

A. Purpose

The purpose of this policy is to state the rules and procedures involving the delivery of financial aid through the Financial Aid Services Office at Kutztown University.

B. Scope

This policy applies to all students.

C. Key words and phrases:

BOG – Board of Governors
COA – Cost of attendance (also known as COE – cost of education)
CPS - Central Processing System
EFC – Expected Family Contribution
FAFSA – Free Application for Federal Student Aid
FASO – Financial Aid Services Office
FSEOG – Federal Supplemental Educational Opportunity Grant
FTE – full time equivalent
GED – General Equivalency Diploma
GIA – grant-in-aid
GPA – Grade Point Average (also known as QPA for Quality Point Average)
IR – institutional research
ISIR – Institutional Student Information Record (financial aid application record sent to school)
IT – information technology
NLI – national letter of intent
PASSHE – Pennsylvania State System of Higher Education
PS – PeopleSoft (Student Information Systems)
PSA – potential student athlete
SA – student athlete

D. Policy & Procedure(s)

Mission Statement of the Financial Aid office

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The principle of equal educational opportunity, as well as access to and choice among schools, provides the foundation for financial aid programs and awarding practices at Kutztown University (KU). This foundation and Kutztown University's efforts to provide educational opportunities for students to respond to the multicultural and diverse needs of society, by ensuring equal access to its educational programs and services, direct the efforts of the Financial Aid Services office. Programs and services, such as financial counseling, are designed to be accessible to all students, inclusive of special populations in transition. Therefore, through the administration of federal Title IV, state grants, and institutional aid programs, Financial Aid Services strives to ensure that no student who is eligible should be denied a post-secondary education. To this end, Financial Aid Services' goal is to provide expedient and efficient financial aid delivery systems to Kutztown University students, embracing its role as a full partner in support of the University's commitment to excellence in learning.

Application Processing Procedures:

If the student lists KU as a school choice on their FAFSA, then the student's ISIR record is transmitted to KU and loaded into the KU database, PeopleSoft. For students who are accepted or currently attending, the data is used to determine their eligibility for Title IV aid. A File folder is created for documents that require retention. When the ISIR record is loaded into the KU database, the Financial Aid Office checks to determine eligibility based on: verification selection, C-Codes, ISIR rejects, loan requests, and high school graduation and other eligibility requirements.

Once the ISIR is loaded with a valid EFC and financial aid can be determined, the FAS office will package the student's financial aid. A first-time student is then sent one (1) paper award letter with enclosures that explains the rights and responsibilities of the student as they pertain to these awards. If a first-time student is not eligible for grants due to their elevated EFC, they are still awarded Direct Stafford loans. If a returning student is not eligible for aid due to not meeting the academic progress requirements, a "No Progress" letter is sent.

General Student Eligibility for Federal Title IV Financial Aid
In order to determine eligibility for any federal financial aid program, students must complete the Free Application for Federal Student Aid (FAFSA) and have the results sent to KU. The FASO receives the results through electronic transmission through the Central Processing System (CPS). Student eligibility is determined only through the CPS/US Department of Education using the Federal Methodology Need Analysis Formula. The FASO must have an official EFC before eligibility for any Federal funds can be determined and/or disbursed.

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

- Have a completed ISIR with a valid EFC
- Have a high school diploma or a GED
- Be enrolled in a degree seeking or eligible certificate program.
- Be a U.S. citizen or eligible non-citizen.
- Make satisfactory academic progress as determined by the institution.

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- If male, provide proof of selective service registration.
- Not be in default of any loan or owe a repayment on a Federal Pell Grant or FSEOG.

Verification Procedures:

The FASO verifies all selected applications, except for those whose EFC is greater than their COA. The federal verification guidelines are as follows:

Independent students are mailed an Independent Student Verification Form and Dependent Students are mailed a Dependent Student Verification Form. All of the appropriate tax transcripts, schedules and W2's are also requested. The FASO requests required documentation three times from the applicant. We encourage the student to supply the information as soon as possible in order to provide them with any financial aid that they qualify for.

Once all required verification documentation is received, the student is verified. Any corrections are sent back through the Central Processor and the new recalculated EFC is used to process the student's aid. The student should submit all required verification documentation within 90 days from the initial request, or the process will be halted until the student provides the necessary documentation.

All students receive notification that the verification process has been complete, regardless of changes to their award. If financial aid awards change as a result of verification, the student is directed to view their revised award information online. The FASO does not disburse federal funds before verification is complete.

Disbursement Procedures:

The FASO authorizes aid for disbursement to the students' accounts, which is a function of the Bursar's Office, for all appropriately awarded students, under these guidelines:

- The student's eligibility status is checked by the Financial Aid Office after the Drop/Add period. Computer edit checks are run to ensure current eligibility before disbursement. If, after a transmission, the status changes and the student becomes ineligible, funds are undisbursed.

- The University now utilizes EFT (Electronic Funds Transfer) process to disburse loan funds to student accounts. Students must complete their " Intent to Attend' and their permissions on their myKU Student Center which gives the University permission to disburse Title IV and other funds to their account. Student now receive any excess funds to their account via their Higher One account. They have the option to choose how they will receive their credit balances.

Scholarships Policy and Procedures: (Net Revenue Models)

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The University, as part of the Strategic Enrollment Management (SEM) plan four new scholarship opportunities to attract and retain students to the campus. A net revenue model developed in conjunction with Financial Aid Services, the Offices of the Vice President of Enrollment Management and the Vice President for Finance and Administration along with a consultant is designed to use two (2%) percent of the University's E&G funds to create a revenue stream while attracting students who meet the scholarship requirements.

<u>Golden Bear Scholarships and FAFSA 500</u>

- **FAFSA 500**
- **Golden Bear Maroon**
- **Golden Bear Gold**
- **Golden Bear Platinum**

(All Golden Bear scholarships are renewable up to eight (8) semesters (based on academic progress – student must complete 12 new credits each semester and have a cumulative GPA of 2.75 at the end of the spring term).

<u>Athletic Scholarship Policy and Procedures:</u>

Preparation and Delivery of Grants-in-Aid and Letters of Intent
To maintain the integrity of the process involved with the distribution of athletic financial aid, it will be necessary to adhere to the following procedures. These procedures require the cooperation and coordination of some of the following individuals: Head Coaches, Director of Athletics, Athletic Secretary, Financial Aid Liaison, Student-Athlete (SA) *or* Prospective Student-Athlete's (PSA) and Parents *(if necessary)*
Because of the nature of intercollegiate athletics and the different populations utilizing financial aid; there will be two processes to follow based on the following criteria:

- **New** student-athlete receiving athletic financial aid
- **Returning** student-athlete receiving athletic financial aid

New student-athlete receiving athletic financial aid
Individual head coaches complete the Grant-in-Aid Recommendation Form and submit it to Athletic Secretary. Athletic Secretary produces Grant-in-Aid (GIA) and National Letter of Intent (NLI) in triplicate. Athletic office will maintain copy of Grant-in-Aid Recommendation Form and place in PSA's file.

Director of Athletics approves (signs) Grant-in-Aid and NLI and returns to Athletic Secretary. Grant-in-Aid form is provided to Financial Aid Liaison for signature. The Director or the Financial Aid Liaison signs letter and returns to the Athletic Department. Once the Grant-in-Aid and NLI are returned, copies are kept by the Financial Aid Services Office and the Department of Athletics. One copy of the NLI and a copy of the GIA are sent to PSAC office and one copy of the NLI and a GIA remain in Athletic Office. Athletic Department copies are filed with Grant-in-Aid Recommendation Form in the student-athletes compliance folder

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Returning student-athlete receiving athletic financial aid
Renewals and non-renewals of athletic financial aid **must** be made prior to July 1 before the academic year in which it is to be effective for returning student athletes. The institution shall promptly notify in writing each student-athlete who received an award the previous academic year and who has eligibility remaining in the sport in which financial aid was awarded the previous academic year whether the grant has been renewed or not renewed for the ensuing academic year. Notification of financial aid renewals and non-renewals must come from the institution's regular financial aid authority and not from the institution's athletics department. The process we follow at Kutztown begins with the head coaches completing the Grant-in-Aid Recommendation form and submitting it to the Athletic Secretary. The Athletic Secretary produces the Grant-in-Aid (GIA). The Director of Athletics approves (signs) Grant-in-Aid and returns to the Athletic Secretary. The Grant-in-Aid is then submitted to the Financial Aid Liaison. Student-athletes go to the Athletics Office to sign GIA if they are on campus. If student-athletes are not on campus, GIA is mailed to them or sent electronically by the Athletic Office. Copies of the GIA are kept by the student-athlete, the Financial Aid Office and in the Athletic Office.

Kutztown University Foundation Scholarships

The Foundation Office in conjunction with Financial Aid Services and the Office of the Vice President of Enrollment Management now collaborate in tandem to ensure that all foundation related scholarships are awarded in a timely manner.

Institutional Research will provide a comprehensive listing of eligible students for all awards to each of the college deans to distribute for selection throughout their colleges. A coordinated effort between the colleges and Financial Aid Services determines the student with an alternate and letters are sent by Financial Aid Services to all recipients. Scholarship awards should be completed by April 30th.

The Foundation will send an email communication to the student after the start of the semester to provide instructions regarding an appropriate thank you letter directed to the specific donor.

Selection, Policy and Procedure
In early spring, Financial Aid receives a scholarship funding list from the KU Foundation. The funding list provides the amount of available money in each separate scholarship account, which can be awarded for the upcoming year.

As soon as the upcoming year FAFSA files are available to be downloaded onto the KU database, the Financial Aid Office runs a scholarship program which creates an excel file. The file can be sorted and filtered to create a rank order list based on the private donor's chosen criteria. The student names on the rosters are ranked by the most weighted criteria, which is usually financial need (for need-based scholarships) or GPA (for merit-based scholarships).

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Based upon the KU Foundation's scholarship policy, all university scholarships shall be four-year renewable, providing the current recipient(s) continues to meet the criteria. Fall or spring GPA's (depending on the scholarship) are monitored to determine renewability. If replacement recipients are needed, they are selected from the excel file.

Award amounts are determined from the KU Foundation funding list. The awards are entered into the PeopleSoft system,   and appear as a credit on the fall/spring tuition bills. All award amounts are automatically split between the fall and spring semesters. The Bursar's office will disburse all KU Foundation awards.

Scholarship award letters are sent to each recipient upon selection. A cumulative spreadsheet is created which lists scholarship recipient names, student IDs, addresses, and award amounts which are forwarded to the KU Foundation periodically. The Foundation sends letters of notification to each student recipient and their parents.

Scholarships Selected by Colleges/Departments policy and procedures

In early spring, the Dean of each College receives the KU scholarship funding list. Each college has a scholarship selection committee, which determines whether the current scholarship recipient(s) is renewable for the next year or whether a new student must be chosen.

If financial need is a component of the criteria, the college/department sends Financial Aid a list of those students under consideration. Financial Aid checks each student's FAFSA to determine the "unmet" need for each student. The student names are ranked by need and returned back to the college/department for final selection. Recipient names are forwarded to Financial Aid so that the awards may be entered into PeopleSoft.

The college or department making the selection is responsible for notifying the student of the award. Recipient's names are included on the cumulative spreadsheet which is sent to the KU Foundation.

Board of Governors Tuition Waivers

The Financial Aid Services Office and the Admissions Office follow the PASSHE Board of Governors Policy as our guideline for the selection process of the Board of Governors Tuition Waivers (see attached Policy 1984-08-A).

Determination of the Number of BOGs to be Awarded
Financial Aid begins the Board of Governors Tuition Waiver (BOG) selection process around the middle of August. A report is run that determines the F.T E. calculation for all waivers on the KU database at that time. This calculation is entered into a specific BOG formula to determine the number of BOG waivers KU is permitted to award for the upcoming academic year.

The formula is as follows: The total student FTE from the previous year (taken from the previous year's KU Factbook) minus the total FTE Waivers (taken from the FTE Waiver calculation) multiplied by 2% (as stated in the Board of Governor's Policy).

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Award Amounts
The BOG waiver can be awarded as a full or partial award. A full waiver covers the full cost of in-state tuition. A partial waiver covers either one-half, one-fourth, or one-eighth of the cost of in-state tuition. Historically, KU has awarded either full or one-half waivers; however, now we are awarding primarily one-fourth waivers.

Freshman Eligibility Requirements
To be eligible for a Board of Governors Tuition Waiver, a student must be a Pennsylvania resident who is seeking an undergraduate degree. They must also complete the Free Application for Federal Student Aid (FAFSA). Each university is permitted to establish any additional criteria and procedures to award the waivers.

BOG recipients are placed into one of five categories – Minority, Academic, Artistic, Leadership, or High Need Majors (Mathematics, science, or technology majors).

Incoming freshmen BOG recipients are selected jointly by the Financial Aid Services and the Admissions Office. All newly accepted PA freshmen are initially considered for the BOG Award. The Financial Aid Office projects the number of recipients who will either graduate or who have been awarded the BOG for the maximum eight semesters.

The Institutional Research Office provides a comprehensive listing of eligible students who will be offered a scholarship award. Eligible students will receive a one-fourth tuition BOG in writing with a response date of 15 days to accept or decline the award. For Fall 2014, 141 full tuition FTE waivers (all students) will be awarded. If additional funds are made available later in the year, additional one fourth tuition waivers will be offered.

SATISFACTORY ACADEMIC PROGRESS REQUIREMENT

Progress is now measured at the end of each term (fall, spring, summer, winter).
Each student will be reviewed for satisfactory financial aid progress after every period of enrollment (fall/winter, spring, summer) regardless of receiving financial aid.
To be in good standing for federal aid, both undergraduate and graduate students must meet the following standards:
1. Successfully complete 2/3 of the total cumulative credits attempted. Credits attempted are:
    a. all credits for which the student is enrolled at the end of the drop/add period at KU;
    b. the greater of either consortium credits attempted at another school OR the number of credits transferred into KU after admission; and
    c. credits attempted in certain study abroad programs.
2. Maintain a cumulative GPA of at least 2.0 at the end of each period of enrollment (fall/winter, spring, summer).

Withdrawal Policy:

Withdrawal from Institution-PHEAA State Grant Recipient
A student must provide official notification of his or her intent to withdraw from the university in accordance with the university's withdrawal policy. When a student withdraws, the student may

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no longer be eligible for the full amount of their state grant originally scheduled to receive. (Federal Aid recipients, who withdraw from the university, must have their federal aid re-evaluated.)

Withdrawal After the First Day But within Title IV Refund Period
If the student withdraws after the first day of classes, but prior to 60% of the number of days in the semester, the amount of Title IV (Federal) Aid will be the lesser of the amount of aid to be returned or unearned charges as determined by the percentage of days the student is enrolled. Federal regulations dictate the distribution order that funds must be returned.

Distribution Order Chart

- Un-Subsidized Stafford Loan
- Subsidized Stafford Loan
- Perkins Loan
- Plus Loan
- Pell Grant
- FSEOG (Federal Supplemental Educational Opportunity Grant)
- Other Title IV programs

E. Effective Date

August 2009

F. Endorsed By

Financial Aid Services

G. Revisions

August 7, 2014

H. Last Reviewed

August, 2010
August, 2012
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