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 Office of Financial Aid Services at Kutztown University.

B. Scope

This policy applies to all students.

C. Key words and phrases:

ACG – Academic Competitiveness Grant
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
FAO – Financial Aid 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
PSA – potential student athlete
SA – student athlete
SMART Grant - National Science & Mathematics Access to Retain Talent Grant

D. Policy & Procedure(s)

Mission Statement of the Financial aid office

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. For students who are accepted or currently attending, the data is used in the verification and correction processes. File folders are made for every imported record that requires any paper process. When the ISIR record is loaded into the KU database, the Financial Aid Office checks for verification selection, C-Codes, rejects, loan requests, and high school graduation and other required eligibility requirements.

Once the ISIR is loaded with a valid EFC and academic progress for financial aid can be determined, the FAO will package the student's financial aid. A first-time student is then sent one paper award letter with an enclosure 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 EFC, they are sent a "No Aid" letter, suggesting that they apply for Stafford loans. If a returning student is not eligible 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 file the Free Application for Federal Student Aid (FAFSA) and have the results sent to KU. The FAO 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 FAO must have an official EFC before eligibility for any Federal funds can be determined.

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, a GED, or have passed a test approved by the Department of Education.
- Be enrolled in a degree seeking or eligible certificate program.
- Be a U.S. citizen or eligible non-citizen.
- Make satisfactory academic progress as determined by the institution.
- 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 FAO 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 returns, schedules and W2's are also requested. The FAO requests required documentation three times from the applicant. If after 120 days from the end of the spring semester, the student has not provided the required documents, the students' file is deactivated and a deactivation letter is sent to the student.

Once all required verification documentation is received, then appropriate verification screens are completed. All corrections are sent back through the Central Processor and the new recalculated EFC is used to process the student's aid. The student must submit all required verification documentation within 90 days from the initial request, or the process ceases and aid which required completion of verification is canceled.

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 letter online. The FAO does not disburse federal funds before verification is complete.

Disbursement Procedures:

KU authorizes disbursement of aid to the students' accounts, housed by the Bursar's Office, for all appropriately awarded students, under these guidelines:

- Students must present valid identification to receive financial aid monies from the Bursar's Office.

- The student's eligibility status is checked by the Financial Aid Office. 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 "Commitment to Attend' through

OSS (Online Student Services) which gives the University permission to disburse Title IV and other funds to their account. In the rare event of a paper check, the student must inform the Bursar's Office via their campus e-mail or letter that they request the check to be mailed, if they are unable to sign the check on campus. If the student is away from campus; e.g. study abroad, the student's designee (power of attorney) may sign. The aid funds may then be credited to the student's account and/or released to the student.

Scholarships Policy and Procedures:

Athletic Scholarship Policy and Procedures:

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) 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 packet is produced for submission to Financial Aid Liaison.
Packet includes:

- Letter from Scholarship Coordinator
- Two (2) original copies of NLI.
- Grant-in-Aid
- NCAA Graduation rate report
- NCAA Banned Substance List

Financial Aid Liaison signs letter and sends packet to student-athlete with Financial Aid return envelope. Once the Grant-in-Aid and one (1) NLI are returned to Financial Aid Office, Financial Aid retains a copy of GIA and sends remaining documents to Department of Athletics. One NLI and a copy of the GIA are sent to PSAC office and one NLI and a GIA remain in Athletic Office. Athletic Department copies are filed with Grant-in-Aid Recommendation Form.

Returning student-athlete receiving athletic financial aid

The Financial Aid offer **must** be made prior to July 1 for returning student athletes. Individual head coaches complete the Grant-in-Aid Recommendation form and submit it to Athletic Secretary. Athletic Secretary produces Grant-in-Aid (GIA).Director of Athletics approves (signs) Grant-in-Aid and returns to Athletic Secretary. Grant-in-Aid is then submitted to Financial Aid Liaison. Student-athletes go to Financial Aid Office to sign GIA if they are on campus. If student-athletes are not on campus, GIA is mailed to them by Financial Aid Office. The three copies of the GIA are kept by student-athlete, Financial Aid Office and the Athletic Director.

Scholarships awarded by FAO

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).

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 onto PHEAA's needs analysis record, which download and appear as a credit on the fall 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 KU program is run to list 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. Recipients of the Community Scholars awards are invited to a luncheon in September.

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 onto PHEAA's need analysis record.

The college or department making the selection is responsible for notifying the student of the award. Recipient's names are included in the KU program above notifying the KU Foundation.

Board of Governors Tuition Waivers

The Financial Aid 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).

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.

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 file 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 by 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 projected number is given to the Admissions Office for recruiting purposes.

The Office of Admission reviews the applications of the strongest candidates and, after receiving an estimate of the number of BOGs from the Office of Financial Aid to be awarded, selects students for the award. The strongest candidates are offered full or half tuition BOGs in writing, preferably by December 1 of their senior year in high school. For Fall 2009, 40 full tuition

awards have been made. If additional funds are made available later in the year, additional half tuition awards will be offered.

SATISFACTORY ACADEMIC PROGRESS REQUIREMENT

Progress is measured for the academic year at the end of the spring semester. The total number of new credits a student is required to earn is determined by his/her enrollment on the last day of Drop/Add. A typical full time undergraduate student must earn a minimum of 24 new credits per academic year. (Repeats of courses for which a student received a passing grade do NOT count as NEW credits.) Student may make up credits during the summer if they have not earned the required number of credits by the end of spring, but they will have to pay for summer courses on their own. (There are a variety of private alternative loans available.) Also students must maintain an overall Grade Point Average (GPA) of at least 2.00 and not be on Academic Warning or Probation in order to qualify for aid. The GPA is measured annually at the end of the academic year for the upcoming year.

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 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
- ACG (Academic Competitiveness Grant)
- SMART (National Science & Mathematics Access to Retain Talent) Grant
- FSEOG (Federal Supplemental Educational Opportunity Grant)
- Other Title IV programs

E. Effective Date

August 2009

F. Approved By

Financial Aid Services

G. Last Reviewed

August, 2010