

Policy Name:	Federal Financial Aid Programs
Policy Number:	ADM 4.02
Title of Policy Owner:	Chief Financial Officer
Approved by:	Administrative Cabinet
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**I. Policy**

It is the policy of Bon Secours Memorial College of Nursing (BSMCON), which provides higher education in nursing, to administer federal financial aid in accordance the requirements of Title IV - Higher Education Act of 1965, as amended (Title IV Regulations).

**II. Purpose**

The purpose of this policy is to establish roles and responsibilities, internal controls, procedures and deadlines for administering Title IV Financial Aid funds. BSMCON is required to comply with all Title IV Regulations as a participant in Title IV programs. Continued access to Title IV Financial Aid funds is a vital resource for BSMCON students as a means to finance their education.

**III. Scope**

This an institutional policy that applies to all students who utilize Title IV Financial Aid programs that are administered by BSMCON, including Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS).

**IV. Definitions**

**Add/Drop Period** - the period of time, generally measured as the start of each Semester through 11:59 p.m. on the tenth (10th) calendar day of each Semester in which students have the capability to add, or drop, courses from enrollment without financial penalty.

**Book Advance** – is a financial resource (advance payment) provided to eligible students in order to obtain or purchase books and supplies required by the academic program in advance of the applicable Semester and prior to disbursement of Title IV Funds. Further information can be obtained in ADM 4.10 Book Advance policy.

**Central Processing System (CPS)** – is the Department of Education’s application data processing center. CPS uses student information from the FAFSA processors to calculate the student’s official EFC. CPS returns the student’s eligibility information to the student via the SAR and to the institution (BSMCON) via the ISIR.

**Cost of Attendance (COA)** – is the anticipated cost that a student may incur during an academic year to attend college. COA typically includes costs for Tuition and Fees, room and board, books, supplies, travel and personal costs. COA does not reflect the actual charges that a student will incur. COA is published annually on the BSMCON website.

**Dependency Status** – refers to a student’s status in relation to receiving Title IV Financial Aid. If a student is Dependent, the parent’s financial information will be submitted on the FAFSA. This is not required of an Independent student. Federal Direct Loan annual and aggregate loan limits are subject to Dependency Status.

**Enrollment Status** – is indicative of how many credits a student is enrolled in during a Semester. Full-Time (12+ credits), Three-Quarter Time (9-11 credits), Half-Time (6-8 credits) and Less Than Half-Time (less than 6 credits).

**Entrance Counseling** – is an informational, electronic counseling session that includes borrowing information such as loan terms and conditions, debt management strategies, repayment obligations, etc. Entrance Counseling is required to be completed by first-time student borrowers prior to disbursement of any Federal Direct Loan funds.

**Exit Counseling** – is an information, electronic counseling session with emphasis on repayment requirements and debt management strategies. Exit Counseling information is provided to student borrowers who fall below Half-Time Enrollment Status or upon graduation.

**Expected Family Contribution (EFC)** – is an estimate of the family’s (student and/or parents) ability to contribute to postsecondary education expenses. It is a measure of the family’s financial strength which is derived from information submitted in the FAFSA. EFC is calculated by CPS according to a formula established by law based on financial and household information. EFC is reported to the student in the SAR and to BSMCON in the ISIR. BSMCON uses EFC to determine Title IV Financial Aid eligibility and amount of any such award(s). EFC is not the amount of money that a family will pay, nor is it the amount of Title IV Financial Aid that the student will receive.

**Federal Direct Parent PLUS Loan** - is a loan in which the parent of a dependent, undergraduate student is the borrower to help pay for a child/student’s COA. Federal Direct Parent PLUS Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

**Federal Direct Subsidized Loan** - is a loan for students who demonstrate financial need in which an interest subsidy is provided, meaning interest does not accrue on the principal amount of the loan until the student completes his/her academic program. Federal Direct Subsidized Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

**Federal Direct Unsubsidized Loan** – is a loan for students that is not based on financial need and do not provide any interest subsidy. Federal Direct Unsubsidized Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

**Federal Pell Grant** – is a grant that provides Need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. Federal Pell Grant award amounts are dependent on the student's EFC, COA, Enrollment Status and whether the student attends for a full academic year or less. Year Round Pell is offered for students who meet certain eligibility requirements. The Federal Pell Grant is authorized by Title IV of the Higher Education Act of 1965, as amended.

**Federal Supplemental Educational Opportunity Grant (FSEOG)** - is a Need-based grant available to undergraduate students who are also Federal Pell Grant eligible. FSEOG is a Campus-Based Program authorized by Title IV of the Higher Education Act of 1965, as amended.

**Federal Work Study (FWS)** – is a program that provides jobs for students who demonstrate financial need as a means to help pay for a student's COA. FWS provides students with part-time employment either on-campus or in a community service position up to twenty (20) hours per week. FWS is authorized by Title IV of the Higher Education Act of 1965, as amended.

**Financial Aid** - any source of financial funding to defer a student's COA. Examples of Financial Aid may include, but are not limited to, Title IV Financial Aid (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Direct Subsidized Loan, Federal Direct Unsubsidized Loan, and Federal Direct Parent PLUS Loan), Scholarships, Third Party Payors, etc.

**Financial Aid Office** - collectively refers to BSMCON Director of Financial Aid, Financial Aid Specialist and Financial Aid Counselor, who are responsible for the timely and accurate awarding, scheduling and reconciliation of Financial Aid.

**Free Application for Federal Student Aid (FAFSA)** – is an application completed by students (and parents) to apply for federal student aid.

**Grade Level** – is a component of the FAFSA and is directly related to the amount of Federal Direct Loans that a student can borrow. Grade Level 1 (Freshman) is 0-29 Credits Earned. Grade Level 2 (Sophomore) is 30-59 Credits Earned. Grade Level 3 (Junior) is 60-89 Credits Earned and Grade Level 4 (Senior) is 90 or greater Credits Earned. For Federal Financial Aid purposes, Grade Level 3 & 4 is combined.

**Institutional Student Information Record (ISIR)** – is a summary of information from the student's FAFSA submitted to BSMCON. ISIRs and SARs contain the same information in different formats.

**Master Promissory Note (MPN)** – is a legal document completed by the student that is a promise to repay any loan(s) and accrued interest and fees to the U.S. Department of Education (ED). The MPN lists and explains the terms and conditions of the loan and the borrower's rights and responsibilities.

**Need** – Need, sometimes referred to as Financial Need, is determined by Title IV Regulations as a student's COA less EFC. Need is the basis on which many Financial Aid awards are based.

**Payment Period** – or Semester, is the standard measurement of time in higher education used to group weeks of instructional time in the academic year. A semester is generally referred to as a period of enrollment and includes fall, spring and summer.

**Professional Judgement** – is a provision of law under Title IV – Higher Education Act of 1965, as amended, that allows Financial Aid administrators to make individual adjustments or overrides of a student's Dependency Status (from Dependent to Independent), to adjust the components of a student's COA and to adjust the data elements used to calculate the student's EFC. Instances of Professional Judgement are rare and additional documentation is required.

**Semester** - is the standard measurement used to group weeks of instructional time in the academic year. Semester is generally referred to as period of enrollment and includes fall, spring and summer. For purposes of Title IV funding, Semester is the term also denoting a Payment Period.

**Student Account** - collectively refers to a student specific record of all pending, scheduled or posted financial transactions over the duration of program enrollment. Student Account is generally referred to as transactions contained within the Registration Bill (generally

pending or anticipated transactions) and Student Ledger Card (posted transactions). Further information can be obtained in ADM 4.04 Student Accounts policy.

**Student Aid Report (SAR)** – is a federal “output” document sent directly to the student from CPS summarizing a student’s application and eligibility status. SARs and ISIRs contain the same information in different formats.

**Title IV Credit Balance** - is created when the amount of Title IV Financial Aid disbursed to a Student Account exceeds charges for Tuition and Fees (or other allowable charges) during a specific Semester.

**Title IV Financial Aid** – is federal financial aid authorized by Title IV of the Higher Education Act of 1965, as amended. Title IV Financial Aid programs that BSMCON participates in includes: Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS).

**Title IV Regulations** – are requirements imposed under Title IV of the Higher Education Act of 1965, as amended.

## **V. Policy Details**

### **A. Designation of a Responsible Party**

The Chief Financial Officer is responsible for monitoring compliance with the requirements of this policy and applicable Title IV Regulations.

### **B. Title IV Programs**

Title IV Financial Aid programs that are administered by BSMCON include Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS). To participate in Title IV Programs, students are required to complete and submit the Free Application for Federal Student Aid (FAFSA) annually. Eligibility to participate in Title IV Programs is determined from the FAFSA output report to the student in the form of the Student Aid Report (SAR) and BSMCON in the form of the Institutional Student Information Record (ISIR). Student responsibilities as participants in Title IV Programs are further outlined in Section G of this policy.

### **C. Need-Based Federal Financial Aid**

Need, sometimes referred to as Financial Need, is determined by Title IV Regulations as a student's Cost of Attendance (COA), as published annually by BSMCON, less Expected Family Contribution (EFC), which is determined by the Central Processing System (CPS) and included on the SAR and ISIR. Need is the basis on which many Financial Aid awards are based including, but not limited to Federal Pell Grant, FSEOG, FWS and Federal Direct Subsidized Loans. In rare circumstances, the Financial Aid Office may use Professional Judgement to adjust a student's Need, which is further discussed in ADM 4.01 Federal Financial Aid Programs Administration.

**D. Federal Pell Grant**

A Federal Pell Grant is a grant that provides Need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. Federal Pell Grant amounts are determined by the Federal Pell Grant Program Disbursement Schedule, which is published annually by the Department of Education (ED), in conjunction with the student's COA, EFC and Enrollment Status. Annual Federal Pell Grant award limits are published in the BSMCON College Catalog annually.

Federal Pell Grants are typically awarded by Award Year and are disbursed in two (2) disbursements, one in the Fall and one in the Spring Semesters. In certain circumstances, students may be eligible to receive a third disbursement, during the Summer Semester. Such Year-Round Pell awards are packaged and disbursed not to exceed 150% of the published maximum, annual Federal Pell Grant limit, in accordance with Title IV Regulations.

There is a Lifetime Eligibility Usage (LEU) limit of six hundred (600) percent. The Financial Aid Office monitors Pell LEU, which is also indicated on the SAR/ISIR, and has established internal controls to prevent Pell Grant awards in excess of 600% LEU.

Students who are Pell Grant eligible and have an estimated Title IV Credit Balance indicated on the Student Account may qualify for a Book Advance as further defined in ADM 4.10 Book Advance Program policy.

Should attendance not be recorded in all scheduled course(s) and non-attendance causes the student's Enrollment Status to change, the Federal Pell Grant amount will be recalculated. In addition, the Financial Aid Office will recalculate Federal Pell Grant amounts when a subsequent ISIR is received from the Central Processing System (CPS) with a revised EFC amount.

Once a student posts attendance in all course(s) and the Add/Drop Period is completed, the Financial Aid Office will not recalculate the amount of Pell Grant awarded for that Payment Period.

**E. Campus-Based Programs**

Federal Supplemental Educational Opportunity Grant (FSEOG)

FSEOG is a Need-based grant available to undergraduate students who are also Federal Pell Grant eligible. The Financial Aid Office awards FSEOG in a consistent manner for all students meeting eligibility requirements, regardless of Dependency and Enrollment Status. FSEOG award ranges are determined and published in the BSMCON College Catalog annually.

Federal Work Study (FWS)

The FWS program is a Need-based program that provides additional financial resources by providing job/work opportunities for students. FWS provides students with part-time employment either on-campus or in a community service position up to twenty (20) hours per week. BSMCON determines the pay rate based on job functions and responsibilities and in accordance with federal and minimum wage rates. FWS funds are not paid until earned in the form of a bi-weekly paycheck processed by Bon Secours Mercy Health (BSMH) Payroll department. Students can indicate interest in FWS opportunities on the Free Application for Federal Student Aid (FAFSA) or by contacting the Financial Aid Office.

**F. Federal Direct Loan Programs**

The ED provides financing opportunities in which students (or in some cases parents) can borrow money to cover a student's COA at a postsecondary educational institution. Subject to other eligibility requirements, students are required to have an Enrollment Status of at least Half-Time (6+ credits per Semester) to be eligible to participate in the Federal Direct Loan Program. Students are required to meet Satisfactory Academic Progress (SAP) as further defined in ADM 2.06 SAP policy. Students are required to complete Entrance Counseling, a Master Promissory Note (MPN) and Exit Counseling when student's Enrollment Status drops below Half-Time. Annual and aggregate Federal Direct Loan Limits are published annually in the BSMCON College Catalog. BSMCON offers Financial Aid Counseling sessions with the Financial Aid Counselor to assist students with financial awareness and literacy as it relates to any source of financial funding used to defer the student's COA.

Federal Direct Subsidized Loan

A Federal Direct Subsidized Loan is a Need-based loan that provides an interest subsidy, meaning interest does not accrue on the principal amount of the loan until the student completes his/her academic program. Federal Direct Subsidized Loan amounts are determined by Need, Grade Level, Dependency status, annual and aggregate loan limits.

Federal Direct Unsubsidized Loan

A Federal Direct Unsubsidized Loan is not based on financial Need. Unsubsidized Loans are not subject to interest subsidy, meaning interest begins accruing once the loan is disbursed to the Student Account. The student may choose to pay accrued interest during the period of enrollment. If accrued interest is not paid during the period of enrollment, such interest is capitalized with the principal amount of the loan at the time the student begins repayment. Federal Direct Unsubsidized Loan amounts are determined by Grade Level, Dependency status, annual and aggregate loan limits. The amount of Unsubsidized Loans awarded is determined by Grade Level, Dependency status, annual and aggregate loan limits.

Federal Direct Parent PLUS Loan

A Federal Direct Parent PLUS Loan is a loan in which the parent of a dependent, undergraduate student is able to borrow to help pay for their child's (the student's) COA. The parent is the borrower of a Federal Direct Parent PLUS loan and loan approval is based on the parent's credit rating. Federal Direct Parent PLUS Loans are subject to further eligibility requirements that include (1) the parent borrower must be the student's biological or adoptive parent. In some cases, the student's stepparent may be eligible, (2) the student must be a dependent student who is enrolled at least Half-Time (6+ credits per Semester), (3) generally a student is considered to be dependent if s/he is under 24 years of age, has no dependents of their own, is not married, is not a veteran or active duty member of the military, is not a graduate or professional degree student and is not a ward of the court, (4) the parent borrower must not have an adverse credit history (if a parent borrower does not pass the credit check, in certain circumstances additional actions may be taken), (5) student and parent must be U.S. citizens or eligible noncitizens, (6) student and parent must not be in default on any federal education loans, (7) student or parent must not owe an overpayment on a federal education grant and (8) student and parent must meet other general eligibility requirements for the federal student aid programs. Parent PLUS Loans are not subject to interest subsidy, meaning interest begins accruing once the loan is disbursed to the Student Account.

**G. Student Responsibilities as Participants in Title IV Programs**



Students who participate in Title IV Financial Aid programs administered by BSMCON are expected to be compliant with Title IV Regulations and to provide accurate and timely information to the Financial Aid Office. By participating in Title IV Financial Aid programs, the student is responsible for the review and understanding BSMCON's Financial policies including, by not limited to, all policies related to the Financial Aid Office and Business Office (Student Accounts). Students are strongly encouraged to obtain Financial Aid Counseling from BSMCON's Financial Aid Counselor. Students are further responsible for ensuring that Federal Direct Loan Entrance and Exit Counseling is completed within the required timeframe, an active Master Promissory Note (MPN) is on file with the ED, completion of Verification and Conflicting Data process is timely, as further outlined in ADM 4.03 Federal Financial Aid Verification & Conflicting Data policy, providing information regarding Unusual Enrollment History (UEH), maintain SAP and further requirements as promulgated under Title IV Regulations.

**VI. Attachments**

None

**VII. Related Policies**

- ADM 2.06 Satisfactory Academic Progress
- ADM 4.01 Federal Financial Aid Administration
- ADM 4.03 Federal Financial Aid Verification & Conflicting Data
- ADM 4.04 Student Accounts
- ADM 4.06 Book Advance Program
- ADM 5.01 Financial Refund

**VIII. Disclaimers**

- a. Nothing in this policy creates a contractual relationship between Bon Secours Memorial College of Nursing (BSMCON) and any party. BSMCON, in its sole discretions, reserves the right to amend, terminate or discontinue this policy at any time, with or without advance notice.

**IX. Version Control**

Version	Date	Description	Prepared by
1.0	6/24/2020	Revisions and new template	Dean of Finance
2.0	06/10/2022	Update for Chief Financial Officer and regulatory changes related to SULA	Chief Financial Officer

