

14.0 FSEOG PROGRAM

14.1 HISTORY AND DESCRIPTION

The stated purpose of the FSEOG Program is to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of post-secondary education to qualified students who demonstrate exceptional financial need. Exceptional financial need is now defined as the students with lowest EFC's at the institution. In addition, the 1986 and 1992 amendments also require that priority be given to PELL Grant recipients.

Participating institutions must enter into an agreement with the Secretary of Education (Program Participation Agreement). Funds are allocated to institutions on a conditional guarantee and fair share basis according to a formula based on prior funding levels and expenditures.

The institutions will receive an authorization document establishing the draw-down funds for each fiscal year. The institution is allowed to establish criteria it deems appropriate to award these funds but must be guided by Federal Regulations. This would include aid that is made reasonably available to all eligible students who demonstrate financial need to the extent of the available funds.

14.2 RESPONSIBILITIES

The college is responsible for proper administration of the FSEOG Program on its own campus. These include:

- Ensuring that eligible students receive program funds in accordance with the provisions of the law, the Program Participation Agreement, and other criteria the Department of Education may establish;
- Submitting application for Federal funds and fiscal operations reports to ED;
- Evaluating student applications and determining need;
- Awarding aid to meet each student's need, to the extent possible;
- Notifying all applicants of the action taken on their applications;
- Disbursing funds;
- Revising financial aid awards to respond to unanticipated situations and documenting reasons for revision;
- Ensuring that the Federal share of FSEOG awards does not exceed specified percentages;
- Maintaining adequate records;
- Submitting required reports on time.

14.3 STUDENT ELIGIBILITY CRITERIA

To be considered for FSEOG a student must:

- * Complete a Family Financial Statement requesting the appropriate college code on the application;
- * Be registered and accepted for enrollment in a certificate, diploma, or degree program at one of the St. Cloud Technical and Community Colleges;
- * Have completed any verification processes in a timely manner;
- * Meet all other requirements for an eligible student for Title IV financial aid programs;
- * Maintain satisfactory academic progress according to the St. Cloud Technical and Community Colleges' policies;
- * Inform the aid office of any outside aid or work earnings for which the aid office may be unaware;
- * Priority to PELL Grant recipients until all PELL eligibility is exhausted and funds remain to be awarded;

- * Priority is given to those eligible students who have submitted a “clean” needs analysis by the third week of the awarding semester;
- * Those eligible students who did not receive an award due to lack of funds will roll forward to be considered for an award in the following semester;
- * All awards are finally based on the highest unmet need and having met the above criteria.

14.4 STUDENT SELECTION

In determining the priority order in which students will be awarded FSEOG funds, the school must:

1. First award funds to eligible students with exceptional financial need, that is, those with the lowest expected family contributions (EFC) who will also receive PELL Grants in that year.
2. After awarding FSEOG to all eligible PELL recipients in order of lowest EFC, next award FSEOG funds to those eligible students with the lowest expected family contributions who will not receive PELL Grants.
3. Make a reasonable proportion of its allocation available to independent or less than full-time students’ if its allocation is based in part on the need of less than full-time students.
4. A school needs to have developed written selection procedures to ensure that FSEOG recipients selected on the basis of the lowest EFC and PELL Grant priority requirements over the entire award year.

14.5 PROGRAM FUNDING

FSEOG funds are allocated directly to colleges according to statutory formulas. The College receives their disbursement in periodic installments, either in advance or as reimbursements.

The federal share for FSEOG may not exceed 75 percent unless the school is a Title III school. Schools must contribute a non-federal share of 25 percent. Schools deemed eligible as Title III schools do not need to contribute a non-federal share.

The non-Federal share must come from the college’s own resources, including:

- * Institutional grants and scholarships
- * Waivers of tuition or fees
- * State grants
- * Funds from a foundation or other charitable organizations

14.6 COORDINATION OF FINANCIAL AID

In signing the Program Participation Agreement, the institution promises to appoint a coordinating official for its FSEOG and other Federal and non-Federal student financial aid programs.

1. With other financial aid:
An institution may not award an FSEOG to a student if the FSEOG, when combined with all other resources, exceeds the student’s financial need according to the total cost of education minus the EFC as determined by an official needs analysis methodology.
2. With Student Resources:
For the purposes of eligibility for FSEOG, the following are considered student resources:
 - a. PELL Grant entitlement (whether or not the student applies)
 - b. William D Ford Loans
 - c. Waiver of tuition and fees

- d. Grants, including FSEOG and ROTC subsistence allowances
- e. Scholarships, including athletic scholarships and ROTC
- f. Fellowship or assistantship
- g. Insurance programs for the student's education
- h. Veterans benefits (except that part included as part of the student's EFC)
- i. Net earnings from need-based employment
- j. The school may treat a Federal PLUS Loan, unsubsidized Federal William D Ford Loan, Unsubsidized Loan, state-sponsored loan, or a private loan as a substitute for a student's EFC. However, if the sum of the loan amounts received exceeds the student's EFC, the excess is a resource.

14.7 APPROVED USE OF FSEOG FUNDS

Funds allocated to an institution under the FSEOG Program may be used for the following purposes:

- * Make FSEOG award to eligible students
- * Administrative cost allowance

Minimum and Maximum FSEOG Awards

Generally, the amount of a FSEOG awarded for an academic year equals the amount the college determines necessary to continue his or her studies with the following limits:

- * No award for less than \$100 for a full academic year.
- * No award more than \$4,000 for a full academic year.

Awards for less than an academic year may be reduced proportionately.

Duration of Eligibility

A student is eligible to receive a Supplemental Grant as long as the student is an undergraduate student. An undergraduate student is defined as a student who:

- * Has not earned a baccalaureate or first professional degree.
- * Is in an undergraduate course of study, which usually does not exceed 4 academic years or is enrolled in a 4 or 5 academic year program designed to lead to a first degree. A student enrolled in any other length program is considered an undergraduate student for only the first 4 academic years of that program.

Disbursement of FSEOG Funds

If a student withdraws (officially or unofficially) before the first day of classes, the school must return any FSEOG funds that were paid to the student. A student who does not begin class attendance is deemed to have withdrawn. If a student withdraws after receiving his or her FSEOG but before the end of the payment period, the school determines the amount of any refund or repayment according to federal refund and repayment requirements.

A portion of the grant must be paid during each payment period (semesters) if awarding for a full academic year. The amount of each disbursement is determined by dividing the total FSEOG award by the number of payment periods in the award year.

A school may advance funds within a payment period in whatever installments it determines that will best meet the student's needs

LATE DISBURSEMENTS

A school may make a late FSEOG disbursement to an ineligible student if the student became ineligible solely because the student is no longer enrolled. Before the student dropped out, the school must have received a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official EFC and must have awarded the student the FSEOG. The school may make the late disbursement only if funds are used to pay for educational costs incurred for the period the student was enrolled and eligible. The late disbursement must be made no later than 90 days after the student became ineligible because he or she is no longer enrolled.

14.8 FISCAL INTEGRITY

In administering its FSEOG program, an institution must establish and maintain an internal control system of checks and balances that ensure no office can both authorize payments and disburse funds to students.

A separate bank account for FSEOG funds is not required. However, an institution must notify any bank in which it deposits FSEOG funds of all accounts in that bank in which it deposits Federal funds. The institution may give this notice by either including the name of the account, the fact that Federal funds are deposited or by notifying the bank in writing of the institutional accounts in which it deposits Federal funds. The institution must retain a copy of this notice in its files.

14.9 RECORD KEEPING

1. Must establish and maintain on a current basis, financial records that reflect all program transactions.
2. Must establish and maintain general ledger and subsidiary control accounts that identify each program transaction and separate those from other institutional financial activity.
3. Must establish and maintain program and fiscal records that:
 - A. Are reconciled monthly.
 - B. Show the eligibility of each student aided under the FSEOG program.
 - C. Show the amount of need and how the need was met for each student.

14.10 RETENTION OF RECORDS

Must keep intact and accessible records of the receipt and expenditure of Federal funds, including all accounting records and original and supporting documents necessary to substantiate how the funds are spent.

Schools must keep such records for an award year for three years after the institution submits its Fiscal Operations Report, including a record of any recoveries for that year.

14.11 REPORTS

Yearly submission of Fiscal Operations Report which includes:

- * Number of eligible students by income and award
- * Maintenance of effort level
- * Transfer of funds
- * Administrative cost allowance

14.12 ST. CLOUD TECHNICAL AND COMMUNITY COLLEGES POLICY AND PROCEDURES,

Specific factors for consideration at St. Cloud Technical and Community College

To address the written requirements for the FSEOG program described by the Title IV statutes and regulations, the St. Cloud Technical and Community Colleges have set the following policies:

Selection Criteria

Considered First:

1. Students with lowest EFC considered priority
2. Students who are PELL eligible

Other Factors in awarding FSEOG:

- Additional awards will be considered in Spring semester after a review of funds that may come available due to refunds and the de-obligation of awards for students who have withdrawn.
- After all PELL Grant recipients have been considered, any additional funds will be awarded to students who are not PELL eligible.
- Disbursements will be made by crediting the student's account. The Business Office sends students a receipt each term giving notification of payment to the account.
- As less than full-time students are gridded in the Fiscal Operations Report and are counted in the campus-based allocation process these categories will be considered for FSEOG awarding.

FSEOG awards are determined at each College under the following factors:

Maximum annual award range: \$300 to \$900

Awards for less than three-semester are prorated.

Minimum award per term: \$100