



COMMUNITY
COLLEGE

Financial Aid
Policy and Procedures Manual
2026-2027

Erie County Community College (EC3) 2026-2027 Financial Aid Policy and Procedures Manual

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Introduction

Introduction to the Financial Aid Office

The initial policies and procedures developed for the EC3 Financial Aid Office have been created by the Executive Vice President and the Assistant Vice President of Student Affairs in preparation for initial application to participate in the Title IV student aid program. Utilizing multiple sources of information related to financial aid regulations and guidance from the Department of Education, updates and modifications of existing policies and procedures are submitted for approval by the Financial Aid Coordinator to the Assistant Vice President of Student Affairs. The manual will be evaluated and updated as part of the annual department review process.

Financial aid staff and college administration have access to Department of Education and PHEAA resources to assist in the administration of federal and state aid. These online resources and support from sister colleges within the Pennsylvania Community College Commission help to maintain accurate and efficient methods of supporting eligible students.

Mission and Purpose of Erie County Community College

The mission of the Erie County Community College (EC3) Financial Aid Office is to provide equitable access to financial resources and support students in achieving their educational goals without financial barriers.

The Financial Aid Office is located at the EC3 West location with virtual staff support available at each of the other locations. Normal business hours are 8:00 am to 4:30 pm, Monday through Friday. Annual summer business hours are 7:30 am to 5:30 pm, Monday through Thursday. The office can be reached by calling (814) 413-7000, emailing the office at FinancialAid@ec3pa.org, or on the EC3 website.

The EC3 Financial Aid Office was established under the direction of the EC3 Board of Trustees with the expressed purpose of providing information to students on available financial aid packages provided by both the U.S. Department of Education and the Commonwealth of Pennsylvania's Higher Education Assistance Agency (PHEAA).

The Financial Aid Office strives to support eligible students by coordinating all financial assistance offered by the school, and to ensure that all policies and procedures are observed during the administration of all student aid programs.

EC3 administers Title IV programs in accordance with all applicable statutory and regulatory provisions. EC3 maintains compliance with the administrative capability requirements of 34 CFR 668.16(o).

Administrative and Office Management

Organizational Structure

Erie County Community College has entered into an agreement with Campus Ivy/Portico to provide full-service financial aid administration on behalf of the Financial Aid Office. Campus Ivy/Portico provides staff at an appropriate level to maximize service to the EC3 student population through the virtual environment while the on-campus Financial Aid Office and academic advisors provide basic financial aid support for in-person inquiries. The institution has in place a Financial Aid Coordinator that works directly with Campus Ivy/Portico to ensure that processes and communication of the financial aid programs are efficient and student focused.

The Financial Aid Coordinator is the in-house coordinating official and, in partnership with Campus Ivy/Portico, is the designated individual to administer the Federal Student Aid (FSA) programs and to coordinate aid from these programs with all other aid received by students attending the school. The EC3 processes are administered in a

way that ensures all the information the school receives that might affect a student's FSA eligibility is communicated to the coordinating official and to Campus Ivy/Portico.

EC3 ensures that the institution has sufficient knowledgeable staff to assist students through the financial aid process while Campus Ivy/Portico secures an adequate number of qualified persons to administer the Title IV programs on behalf of the College. See the Financial Aid Office Structure and Position Responsibilities sections of this manual.

EC3 separates the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to student aid. The functions associated with the authorization of payments rests with the Financial Aid Office and are coordinated by Campus Ivy/Portico. The responsibilities of disbursing and delivering funds are within the scope of the Business Office while working with Campus Ivy/Portico for efficient delivery of Title IV aid. Each function is carried out by at least two independent individuals who are not members of the same family or together do not exercise substantial control over the institution.

Financial Aid Structure and Position Responsibilities

Coordinated with Campus Ivy/Portico

The functions of the EC3 Financial Aid Office include:

- An essential function of the Financial Aid Office is the dissemination of financial aid information to parents, prospective students, high schools, and the entire college community
 - Tools utilized for dissemination include activities such as workshops with high school counselors, speaker presentations to community groups, college classroom presentations, high school visits, college catalogs, and informational brochures.
 - Financial assistance information is also covered during advising appointments, Open Houses, and Enrollment Days.
- The Financial Aid Office communicates the concerns of the financial aid community to college officials in regard to the decisions affecting the financial aid process
 - This includes communication through participation on committees, attending workshops, and completing applications for federal funds to the appropriate federal and state agencies

- The Financial Aid Office makes every effort to maintain awareness of all state and federal decisions that affect financial aid programs, or provides insight into the eligibility criteria of such programs
- The EC3 Financial Aid Office has a responsibility to maintain effective articulation with the financial aid offices at two- and four-year institutions to ensure continuity of assistance for EC3 students
- The Financial Aid Office's maintenance of existing programs and consideration of new programs assures students attending Erie County Community College are not denied a college education due to inadequate financial resources
 - The comprehensive financial aid program may include:
 - scholarships
 - grants
 - part-time employment through Federal Work Study
 - loans secured through private lenders
- The Financial Aid Office has a responsibility to ensure the college community is aware of financial aid procedures, responsibilities, and available resources

Staff Policies

Staff policy and procedures are outlined in the EC3 Experience Guide provided by the Human Resources department. Faculty policies and procedures are included within the Faculty Handbook that is located on the EC3 website. Updates made to the Experience Guide are the responsibility of the Human Resources Director while the Faculty Handbook is updated by representatives from the Academic Affairs division.

General Contact Information

Erie County Community College
 2403 W 8th Street
 Erie, PA 16505
 (814) 413-7000
information@ec3pa.org

Financial Aid Questions and Appointments

Financial Aid Office - EC3 West
 2403 W 8th Street
 Erie, PA 16505 (814) 413-7000
FinancialAid@ec3pa.org

Financial Aid Office Administration

Accommodations

The EC3 Financial Aid Office is committed to serving all prospective and current students regardless of disability status. The office upholds all laws and regulations regarding student accommodations and strives to maintain an environment where all students can receive the information and support necessary for them to be successful.

Appointments with Staff

The EC3 Financial Aid staff is available to meet by appointment when necessary. Prospective and current students can make appointments to discuss their financial situation with staff at any time during the normal business hours using the contact information listed above. Appointments can be scheduled for in-person or virtual meetings, whichever is most convenient for the student.

Handling of Documentation

It is the responsibility of the Financial Aid Office staff to properly disseminate, and process written correspondence sent and received by the Financial Aid Office. The EC3 Financial Aid Office receives correspondence concerning scholarship and sponsorship awards, regulatory guidance, and interdepartmental communications. All mail received by the Financial Aid Office will be reviewed and opened by the Financial Aid Office staff on a daily basis. The proper dissemination of mailed correspondence will be made following the review of the mail received.

Financial aid documents and forms completed by the students will be managed by staff using the  Workday student information system. This is a shared responsibility that rests with the Financial Aid Coordinator located at the EC3 West location as well as with the individual student who chooses to upload an electronic copy of the requested document directly into the Workday system. Access to documents uploaded into Workday become available for all financial aid and student finance staff to view.

Under the direction of the Accounting Manager, the Bursar is responsible for processing scholarship and sponsorship correspondence in Workday. After each scholarship and sponsorship is processed, the correspondence will be held in the Accounting Office at the EC3 West location.

Erie County Community College Locations

Erie County Community College offers accessible education at four strategic locations throughout Erie, PA, and Erie County. Designed to accommodate busy students balancing work, family, and life, EC3 provides flexible in-person and online classes, on-site student services, and modern facilities equipped with the latest instructional technology.

- EC3 Erie West at 2403 West 8th St., Erie, PA 16505
- EC3 at Youth Leadership Institute (YLI) at 1306 E. Lake Rd., Erie, PA 16507
- EC3 Summit at 8500 Oliver Rd., Erie, PA 16509
- EC3 Corry at 221 North Center St., Corry, PA 16407

Purpose of the Manual

Federal regulations dictate that Erie County Community College maintains up-to-date written policies and procedures:

- For dissemination to appropriate departments outside of the Financial Aid Office or the purpose of educating and fostering an understanding of the complex operational responsibilities of the Financial Aid Office.
- As a reference to assisting Financial Aid staff with consistency in processing and problem-solving.
- As a component of our comprehensive training programs.
- To ensure that Erie County Community College is complying with regulatory and audit requirements by clearly and comprehensively documenting the delivery of Financial Aid.

If no policy or procedure addresses a given issue, the Financial Aid staff is expected to use professional judgment based upon the intent of all Financial Aid programs, practices, and Federal Regulatory guidelines.

Our mission is to ensure availability of Financial Aid for students who, without such assistance, would be unable to pursue their educational goals. The goal of the Financial Aid Office is to deliver financial assistance to students that have a demonstrated need, show evidence of academic promise, and have the capability of complying with or maintaining Satisfactory Academic Progress. Each Financial Aid program has specific administrative and management requirements that require the development of policies and procedures to ensure compliance with regulatory

requirements, to facilitate consistency in treatment among all students, and to enhance the timely and efficient delivery of aid to students.

Erie County Community College Financial Aid Office strives to fully fund students to the maximums provided under the law and to eliminate unnecessary application procedures by simplifying the aid process. The office operates under the belief that all students must be treated fairly and that there should be no racial, sexual, economic, or disability barriers to their education.

Students, when completing an application for financial aid, enter into a partnership with the Erie County Community College Financial Aid Office. As a result, both the student and the school are responsible for informed decisions and actions relating to Financial Aid eligibility. The EC3 Financial Aid Office attempts to provide individualized service to students including intervention and liaison support when necessary to resolve problems relating to a student's eligibility.

The policies and procedures contained in this manual support the philosophy of financial assistance delivery and will not supersede or be contrary to Federal Regulations and Laws governing Financial Aid programs.

Policies & Procedures Development Responsibilities

EC3 is approved by the U.S. Department of Education to participate in Title IV student assistance programs, specifically Federal Pell Grant Program, FSEOG, and Federal Work Study.

Student Consumer Information

Federal Student Consumer Information Requirements

Federal regulations require that prospective and current students annually receive consumer information regarding available financial assistance, information on the school, the institution's completion, or graduation rate, and if applicable, its transfer-out rate, information about student's rights under FERPA, information about athletic program participation rates and financial support, and the institution's annual campus security report. This information may be disseminated electronically or on paper.

Financial Aid Information

Descriptions of all Financial Aid programs are available to students and are distributed through various Institutional, Federal, and outside resources. Included in these descriptions are procedures and forms required for application, student eligibility requirements, criteria for selecting recipients and offered amounts, rights

and responsibilities of students, and requirements for Return of Title IV funds upon a student's withdrawal. This information is updated annually.

Institutional resources

General information about the school is available in the catalog and on the school website at <https://www.ec3pa.org/>.

This information includes, but is not limited to, accreditation details, special facilities available for disabled students, cost of attendance, degree and certification programs, refund policies (Title IV and Institutional), list of faculties, and contact information.

Student Right-to-Know Act

COMPLETION OR GRADUATION RATES

The school must annually make available its completion or graduation rate, and if applicable, its transfer-out rate report by July 1.

Campus Security Report

The annual campus security report is distributed directly to all enrolled students and current employees by October 1. This same report is made available to prospective students and employees upon request.

Information Sharing & the Family Educational Rights & Privacy Act (FERPA)

EC3 follows FERPA to maintain confidentiality of student records. The Family Educational Rights and Privacy Act of 1974 (FERPA) was enacted to protect the privacy of students by prohibiting the disclosing of personal information from records kept by post-secondary schools. EC3 is required to notify students annually of their rights under FERPA.

Public Information

The following information is considered “directory information” and may be disclosed to the public, unless the student has specifically requested in writing that this information be withheld. An EC3 student may authorize the college to disclose personally identifiable information (PII) by submitting the signed and dated **Authorization to Release FERPA Protected Information form** from the EC3 Registration Office or by submitting a FERPA release request within Workday. Once submitted, the authorization remains in effect within the specified parameters for one

year unless the student revokes permission in writing by submitting the signed and dated **Revocation of FERPA Release form** from the EC3 Registration Office or by changing the authorization in Workday.

EC3 considers the following education records as directory information:

- Student's full name
- Address
- EC3 email address
- Student enrollment status (full- or part-time)
- Dates of attendance
- Program of study
- Degrees, certificates, and honors received
- Participation in officially recognized activities

The disclosure of personal information from records kept by schools that participate in FSA programs is outlined with FERPA. The EC3 Financial Aid Office may disclose personally identifiable information from an education record without the student's consent:

Non-Public Information (SSN, Student ID Number, Medical Records, Disciplinary Records, and/or Grades)

- To another EC3 Employee
- To representatives of Federal and State agencies, including an authorized representative of the Department of Education for Audit and Program Review purposes
- To accrediting organizations

Any requests for access, as well as each disclosure of personal identifying information (PII), are recorded in the student's file. The right to inspect and review the student's education records will be granted within 45 days after the day EC3 receives a request for access.

Student financial aid records are maintained electronically within Workday and protected by passwords of staff members that have security access to view documents. EC3 will not, unless required by law, maintain hard copies of any financial aid documentation. In such instances where maintaining hard copies is required, these documents will be stored in a locked file cabinet within the Financial Aid Office for the required time frame and then destroyed.

A student must submit a written release for additional information to be released to any other person or agency. The student's release must contain the:

- Purpose of Disclosure
- List of specific records to be disclosed
- Identity of recipient of records
- Signature of student and date

In compliance with Federal Trade Commission (FTC) and the Gramm-Leach-Bliley Act, the school must have the following safeguards in place for information security: designated coordinator, risk assessment, safeguards and testing/monitoring, evaluation and adjustment and a means for overseeing service providers.

The EC3 Institutional & Divisional Structure

The Financial Aid Office Structure & Position Responsibilities

To ensure that Federal Student Aid is administered properly, the organizational structure of the Financial Aid Office is as follows:

- Financial Aid Coordinator – **Cailey Coates (ccoates@ec3pa.org)**

Financial Aid Office Responsibilities

- Advising and counseling students about their financial assistance opportunities.
- Developing written Policies and Procedures that affect the school's administration of Title IV Aid programs.
- Determining students' eligibility for financial assistance and preparing Funding Estimates to students.
- Coordinating activities of the Financial Aid Office with those of other institutional offices in administering Financial Aid programs.
- Interfacing with various outside groups, agencies, associations, and individuals about issues concerning the school's administration of financial assistance programs.
- Monitoring student's enrollment to ensure that Satisfactory Academic Progress is maintained.
- Maintaining both school and student records that document activities of the Financial Aid Office and provide data for reports.
- Keeping current on changes in laws and regulations to ensure that the school remains in compliance.
- Federal and State reporting; maintaining Program Participation Agreement.

Responsible Personnel

The Assistant Vice President of Student Affairs, in consultation with the Financial Aid Coordinator, makes major internal, operational decisions relating to the administration of Financial Aid programs. The Financial Aid Coordinator makes routine internal decisions and develops internal policies relating to the administration of programs in consultation with other departments and agencies, as appropriate. Policies and procedures are reviewed on an annual basis.

Documents and Methods

Financial Aid staff is kept abreast of updates and changes to Federal Regulations through the U.S. Department of Education's Information for Financial Aid Professionals website and the FSA Schools Portal. Resources available on the FSA Knowledge Center include Dear Partner/Colleague Letters, Blue Book, Federal Student Aid Handbook, Federal Registers, and online references for COD and NSLDS and SAR/ISIR reference materials. Another valuable resource is the National Association of Student Financial Aid Administrators (NASFAA) website. Various state associations and guarantors also provide updates, policy clarification, and training opportunities.

For any questions or assistance regarding Financial Aid, please contact us via:

- Email – FinancialAid@ec3pa.org
- Phone – 814-413-7000

Registration Office Responsibilities

The Registration Office is responsible for verifying that a student has either a high school diploma or GED or previous college experience as part of their admissions to the EC3. The Registration Office notifies the financial aid office of students who do not meet these requirements at the start of each term.

Records Management & Retention

In accordance with federal regulations, EC3 establishes and maintains on a current basis any application the school submitted for FSA program funds. The documentation maintained on a current basis includes program records that document:

- Eligibility to participate in the FSA programs
- FSA eligibility of the EC3 programs of education

- Administration of the FSA programs by EC3
- Financial responsibility of EC3
- Information included in any application for FSA program funds
- Disbursement of FSA program funds by EC3

Fiscal records maintained on a current basis include:

- Financial records that reflect each FSA program transaction
- General ledger control accounts and related subsidiary accounts that identify each FSA program transaction (separated from all other school financial activity)

EC3 maintains records for each FSA recipient that include, but are not limited to:

- Institutional Student Information Record (ISIR) used to determine a student's eligibility for FSA program funds (in electronic form)
- Application data submitted to the department by the school on behalf of the student or parent/contributor
- Documentation of each student or parent recipient's eligibility for FSA program funds (e.g., records that demonstrate that the student has a high school diploma, GED, or the ability to benefit)
- Documentation of all professional judgment decisions
- Financial aid history information for transfer students via National Student Loan Data System (NSLDS)
- Cost of attendance (COA) information
- Documentation of a student's Satisfactory Academic Progress (SAP)
- Documentation of a student's program of study and the courses in which the student was enrolled
- Data used to establish a student's admission, enrollment status, and period of enrollment
- Required student certification statements and supporting documentation
- Documents used to verify applicant data, and resolve conflicting information

Documentation relating to each student or parent recipient's receipt of FSA program funds, including but not limited to:

- The amount of the grant or Federal Work-Study (FWS) award, its payment period, and the calculations used to determine the amount of grant or FWS award
- The date and amount of each disbursement of grant funds, and the date and amount of each payment of FWS wages
- The amount, date, and basis of the school's calculation of any refunds/returns or overpayments due to, or on behalf of, the student
- The payment of any refund/return or overpayment to the FSA program fund or the department, as appropriate

Resources: 668.16(d)

Financial Aid Websites Used

- Department of Education: <http://www.ed.gov/>
- NSLDS: <https://nsldsfa.ed.gov/login>
- FSA Partners: <https://fsapartners.ed.gov/home/>
- FAFSA: FAFSA® Application | <https://studentaid.gov/>

Financial Aid Programs

Accreditation and Approvals

The EC3 programs are licensed and regulated by the Commonwealth of Pennsylvania, the U.S. Department of Education, and Office of Post Secondary Education.

EC3 is also a candidate for accreditation by the Middle States Commission on Higher Education (MSCHE) which is a national accrediting body recognized by the U.S. Secretary of Education. Institutional accreditation by this agency enables institutions to participate in federal student financial assistance programs administered by the U.S. Department of Education under Title IV of the Higher Education Act of 1965, as amended. Information about MSCHE can be found at <https://www.msche.org/>

The Practical Nursing Program has been granted initial approval by the Pennsylvania State Board of Nursing. Note: Upon granting of initial accreditation, the effective date of initial accreditation is the date on which the nursing program was approved by the Pennsylvania State Board of Nursing as a candidate program that concluded in the Board of Commissioners granting initial accreditation.

Documentation that substantiates the eligibility of EC3 to participate in Title IV programs is located in the Financial Aid Office at the EC3 West location. EC3 makes accreditation and licensing information and documentation available to enrolled and prospective students upon request.

The current Program Participation Agreement (PPA) with the U.S. Department of Education expires June 30, 2027. The Financial Aid Coordinator and President are responsible for reporting changes to the PPA. The Financial Aid Coordinator is responsible for any electronic updates and for renewing the PPA.

Administrative Capability

The Financial Aid Office has the necessary electronic processes to effectively administer Title IV programs.

- Educational Compliance Management (ECM)
- Access to National Student Loan Data System (NSLDS)
- Access to Common Origination & Disbursement (COD)
- Electronic submission of audit reports

Separation of Duties

Federal Regulations require a school to divide the functions of authorizing payments and disbursing funds so that no single office or individual has the responsibility for both functions for any student receiving Title IV funds. At EC3, there is a clear and separate division of responsibility for the administration of Financial Aid programs, and they are divided between the Financial Aid Office and the Bursar.

- *The Financial Aid Office is responsible for the following:*
 - Collecting Financial Aid application information and supporting documentation.
 - Processing student eligibility for financial assistance and coordinating all sources of student aid.
 - Packaging Federal, State, and Institutional Aid in compliance with laws, regulations, and policies.
 - Notifying students of aid eligibility through a Funding Estimate letter.

- Processing Federal and State grants.
- Monitoring enrollment and academic performance to ensure that students maintain minimum Satisfactory Academic Progress requirements to remain eligible for Financial Aid
- *The Bursar is responsible for the following:*
 - Maintaining and disbursing accurate bills.
 - Collection and reinforcement of the payments for student accounts for students who receive Title IV and non-Title IV funds via EFT.
 - Monitoring payment plans for students.
 - Reporting to the Financial Aid Office any outside scholarship received.
 - Applying payments/credits to the student accounts.

Reporting and Reconciliation

Mid-year transfer students will be monitored via the Transfer Monitoring feature of the National Student Loan Data System (NSLDS) to determine aid eligibility. (A mid-year transfer student is anyone who has attended any other college in the award year.) The Financial Aid Office reserves the right to adjust a student's aid if NSLDS alerts us of any changes in aid received at a prior institution.

General Title IV Student Eligibility Requirements

EC3 utilizes rule definitions within the Workday system to identify students in eligible programs of study. Students identify themselves as degree-seeking at EC3 by indicating such on the Application for Admission form. Students who do not certify that they are attending EC3 for the purposes of seeking a degree, or do not have an eligible program indicated as their program of study in the Workday system, are not awarded financial aid.

To be eligible to receive Federal Title IV assistance, a student must:

- Be enrolled and matriculated in an eligible program of study.
- Have a valid High School Diploma or a recognized equivalent.
- Be a U.S. Citizen, U.S. National, a Citizen of the Freely Associated States or a lawful U.S. Permanent Resident or other eligible noncitizen.
- Complete a Free Application for Federal Student Aid (FAFSA)
- Not be in Default Status for any previously disbursed Federal Direct Loans
<https://studentaid.gov/manage-loans/default/get-out>
- Not be in Overpayment Status for any previously disbursed Federal Grant
<https://studentaid.gov/help-center/answers/article/why-would-i-repay-federal-grant>
- Have not exceeded annual or lifetime Pell Grant Limits

- Meet all Satisfactory Academic Progress Requirements
- Note: Eligibility requirements are subject to change in accordance with federal guidelines or revisions made by the Department of Education.

Federal Aid Programs in Which EC3 Participates

Students must qualify for aid according to the criteria established for each program. Students attending EC3 may be eligible to receive financial assistance from the following programs:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant
- Federal Work-Study
- Pennsylvania Higher Education Assistance Agency (PHEAA) funds
- Workforce Innovation and Opportunity Act funds
- EC3 Foundation Scholarships
- Outside Scholarships
- EC3 does not offer Direct Loans to students at this time.

Federal Pell Grant

The Federal Pell Grant program provides funding toward tuition, fees, and other costs for students whose income is below levels set by the U.S. Congress. Pell grants do not have to be repaid. The Financial Aid Office can provide an estimate of grant awards based upon the information submitted on the FAFSA. Eligibility is determined by the student's:

- Student Aid Index (SAI)
- Cost of Attendance (COA)
- Enrollment Intensity (the number of credit hours an eligible student takes in a term)

Federal Supplemental Educational Opportunity Grant (FSEOG)

FSEOG is a need-based grant for Pell-eligible undergraduate students who demonstrate exceptional need. Funds are limited, and priority is given to students who apply early to ensure timely award distribution.

Federal Work Study

Federal Work-Study funds are awarded to selected eligible applicants who have a valid completed FAFSA, have a financial need, and indicate an interest in Federal Work-Study on their FAFSA.

To be eligible students must be enrolled at least half time, have a minimum GPA of 2.5, and have successfully completed their first semester at the EC3.

Other Aid Programs

Alternative Loan Programs: At times students need resources in addition to those offered by the Financial Aid Office for education- related or cost of living expenses. Alternative, or private, loan programs are not need-based. These programs may require a credit check, that the borrower is creditworthy and/or have a creditworthy co-borrower. Any alternative loan amount certified, combined with other aid offered, must not exceed the cost of attendance.

Applications & Forms

Application Process

All prospective and current students are encouraged to apply for financial aid. Each applicant should complete the Free Application for Federal Student Aid (FAFSA). This application can be completed on- line at <https://studentaid.gov>. EC3's six-digit school code is **043180**.

Additional documents may be requested to complete processing of the aid request. Some examples of information that is requested may include, but are not limited to:

- Proof of citizenship
- Verification form
- Federal tax returns and W2s for students, spouses, or parents (as required)
- Student Certifications
- Employment Verification
- Verification of marital status

Forms

Instructions for completing documents required for financial aid are distributed in numerous ways (available in the Financial Aid Office and distributed during financial aid information sessions and Open Houses). Included in the instructions are how to complete the FAFSA application and general financial aid information.

How Need is Determined by the Federal Government

The personal and income information you and/or your family provide on the FAFSA Application is analyzed by the Department of Education to calculate the Student Aid Index (SAI) and the student's Federal Aid eligibility. The SAI is the number the Financial Aid Department uses to determine the amount of Federal Aid the student is eligible for to offset their Cost of Attendance.

The following formula used to determine eligibility is:

Cost of Attendance - Student Aid Index - Other Financial Assistance = Remaining Financial Need

For additional information on how financial need is determined, please visit:

<https://studentaid.gov/complete-aid-process/how-calculated#sai>

Packaging Financial Aid

Packaging Philosophy

The EC3 Financial Aid Office is dedicated to ensuring availability of the maximum amount of financial aid for all eligible students. All students must be treated fairly. Priority is given to those students with exceptional financial need.

Packaging Aid Federal and State Eligibility

The Student Aid Index (SAI) on a student's ISIR is subtracted from the COA to determine remaining financial need. The SAI is calculated using Federal Methodology.

*Note: The Federal Methodology formula and/or tables developed by the Department of Education can **never** be modified.

Financial information used in the federal need analysis process may include, as applicable, Adjusted Gross Income (AGI), income earned from work, U.S. income tax paid, untaxed portions of IRA distributions, untaxed portions of pensions, IRA deductions and payments, tax-exempt interest income, education tax credits, foreign earned income exclusions, and other income and asset information required by the Higher Education Act and U.S. Department of Education guidance for the applicable award year.

Beginning with the 2026-27 FAFSA, the following are excluded from reportable assets used in the Student Aid Index calculation:

- The net worth of a family-owned business with 100 or fewer full-time or full-time-equivalent employees;
- The net worth of a farm on which the family resides; and
- The net worth of a commercial fishing business and related expenses, including fishing vessels and permits, owned and controlled by the family.

The FAFSA Processing System applies these exclusions when calculating the SAI. EC3 relies on the official ISIR calculation but will resolve any conflicting information identified during file review.

Beginning with the 2026-27 award year, the foreign earned income exclusion reported on the FAFSA is added to Adjusted Gross Income when determining Federal Pell Grant eligibility. This Pell-specific adjustment is applied by the FAFSA Processing System and is separate from the calculation of the student's SAI. EC3 will review applicable ISIR information and comment codes and resolve conflicting information before determining final Pell Grant eligibility.

Federal Pell Grants are awarded first based on federal eligibility criteria. Beginning with the 2026-27 award year, an applicant whose Student Aid Index (SAI) is equal to or greater than twice the maximum Federal Pell Grant award for the applicable award year is not eligible to receive a Federal Pell Grant. For the 2026-27 award year, the maximum Pell Grant is \$7,395; therefore, the applicable SAI threshold is \$14,790. This limitation does not apply to students eligible for a Pell Grant under the Special Rule for eligible dependents of certain deceased servicemembers and public safety officers.

FSEOG and other campus-based aid are awarded in accordance with federal regulations, institutional awarding policies, available funding, the student's financial need, Cost of Attendance (COA), Student Aid Index (SAI), Pell Grant eligibility, and other estimated financial assistance (OFA).

FSEOG is awarded based on a student's SAI. Students with an SAI between -1500 and 0 will be given first priority. FSEOG funds are limited and awarded on a first come, first serve basis.

All awards are subject to federal overaward limitations and annual funding availability.

Nonfederal Grant and Scholarship Assistance

Beginning with the 2026-27 award year, a student is not eligible to receive a Federal Pell Grant for an award year in which the student receives grant or scholarship assistance from nonfederal sources—including State, institutional, employer, or private sources—in an amount that equals or exceeds the student's Cost of Attendance (COA) for the award year.

EC3 will package Federal Pell Grant funds first and then other financial assistance. The Financial Aid Office will monitor nonfederal grant and scholarship assistance through the student's final Pell Grant disbursement for the award year.

If, before the final Pell Grant disbursement, EC3 becomes aware that the student has received or will receive nonfederal grant or scholarship assistance that equals or exceeds the student's COA, EC3 will:

1. Reduce nonfederal grant or scholarship assistance within the institution's control until the assistance no longer equals or exceeds the COA; or
2. Return all Federal Pell Grant funds disbursed to the student for the award year and cancel any remaining Pell Grant disbursements for that award year.

Nonfederal grant and scholarship assistance does not include assistance excluded from other financial assistance under Section 480(i) of the Higher Education Act, including qualified education tax benefits, distributions from qualified tuition programs or Coverdell Education Savings Accounts, and qualifying emergency financial assistance for unexpected expenses.

Packaging Other Financial Aid (OFA)

Private Loans: A private student loan is a credit-based loan from a bank, credit union, or other private lender to help pay for college. Private loans are different from federal loans in several ways, including interest rates, repayment options, and borrower protections. For additional information, please contact the private lender.

529 College and Career Savings Program, Prepaid Tuition, College Tuition Savings, and Coverdale Education Savings Plans:

Prepaid Tuition Plans: A Prepaid Tuition Plan is a college savings plan purchased on behalf of a beneficiary (student) that allows the payment for future tuition at current prices. Prepaid Tuition Plans are purchased in the form of tuition credits or certificates. Prepaid tuition plans must reduce cost of attendance by the exact amount of distribution.

College Savings Plans: A College Savings Plan is a state-sponsored investment account that allows contributions to be made into an investment account on behalf of a beneficiary (student) to pay for future college expenses. The value of the college savings plan must be treated as an asset of the owner (not beneficiary) and reported on FAFSA.

Coverdell Education Savings Account (formerly Education IRA): A Coverdell Education Savings Account is a tax-deferred account opened on behalf of a beneficiary (student) to pay educational expenses. The value of the Coverdell Education Savings Account must be treated as an asset of the owner (not beneficiary) and reported on the FAFSA.

Funding Estimate Letter Notification

When a student's and/or parent's aid eligibility has been packaged, they must be notified of the Title IV funds they are eligible to receive including information regarding how and when these funds will be disbursed. At this time, a Funding Estimate Letter that details the award amounts will be sent to the student via email. The awards offered must be accepted with a signature on the Funding Estimate. If a student and/or parent chooses to decline all or a portion of an award, it must be indicated in the Funding Estimate. The funds declined will not be replaced by any other funds.

Funding Estimate Letter Notification Revisions

Adjustments may be made to the award amounts if there are changes in the student's eligibility, funding levels, enrollment, or other academic changes. Revised award notifications are sent to students via email to document any changes made to their award.

File Review

Verification

Verification is the process established by the U.S. Department of Education to verify the accuracy of the information provided on your FAFSA application. Verification typically occurs at the time your FAFSA application is received by EC3.

- In most cases, applicants are selected randomly by the U.S. Department of Education

- However, if upon review of your FAFSA application conflicting information is discovered, EC3 reserves the right to select your FAFSA for verification at which time you will be notified.

Verification Selection Groups

When a student is selected for verification, they are required to submit the following documentation to the Financial Aid Office according to their Verification Selection Group:

V1: Standard Verification Groups

- Federal Tax Information (FTI) transferred through the FAFSA Direct Data Exchange (FA-DDX), where available and acceptable
- Alternative tax documentation as permitted by federal regulations when FA-DDX information is unavailable or insufficient
- Completed and signed verification worksheet

V1 Data Elements to be Verified

Students who are selected by the Federal Government or EC3 must verify the following:

- Tax Filers
 - Adjusted Gross Income
 - Income Earned from Work
 - U.S. Income Tax Paid
 - Untaxed Portions of IRA distributions
 - Untaxed Portions of Pensions
 - IRA Deductions and Payments
 - Tax Exempt Interest Income
 - Education Credits
 - Foreign Earned Income Exclusions
 - Family Size (when required under federal verification guidance)
- Non-Tax Filers
 - Income Earned from Work
 - Family Size (when required under federal verification guidance)

V1: Special Verification Cases

- Joint Tax Return Filers Who are no longer married
 - Federal Tax Return Transcript for the applicable Tax Year, or
 - Federal Tax Return (1040) for the applicable Tax Year

- Federal Wage and Income Transcript for both the student and their former spouse, or
- W2's for both the student and their former spouse
- Documentation sufficient to determine each individual's separate income and tax information attributable to the FAFSA contributor.
- Individuals with Filing Extensions
 - A copy of the documentation of a valid IRS filing extension, when applicable
 - Federal Wage and Income Transcript, or
 - W2's for each source of income for the applicable Tax Year
 - Note: Individuals whose income is above the applicable Tax Year Filing Requirement and who have an approved Filing Extension will be required to provide final income documentation after the return has been filed to reverify the income information.
- Filers of Amended Returns
 - Signed copy of the original tax return filed with the IRS and
 - Signed copy of IRS Form 1040-X, or
 - IRS Record of Account Transcript / Account Transcript
- Victims of Tax Related Identity Theft
 - These individuals cannot obtain a Tax Return Transcript or have their FTI transferred via the FA-DDX. Instead, they may submit the following:
 - A Tax Return Database View (TRDBV) transcript obtained from the IRS; and
 - A statement signed and dated by the tax filer indicating that they were a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.
- Individuals Who Filed a Foreign Tax Return or a Return with a U.S. Territory or Commonwealth Tax Authority
 - A signed copy of the income tax return filed with the relevant foreign government, U.S. territory, or commonwealth tax authority; or
 - Other documentation acceptable under Department of Education guidance.

V4: Custom Verification Group

Students have options to complete their verification of Identity:

- Students selected for Verification Tracking Groups V4 or V5 must complete identity verification in accordance with U.S. Department of Education

requirements. Acceptable methods of identity verification include in-person review of a valid government-issued photo identification, approved remote verification procedures, or other methods authorized by the Department of Education for the applicable award year. The institution will maintain documentation of the identity verification method used and the results of the verification review.

- For identity verification purposes, students must present a valid, unexpired government-issued photo identification. College or university identification cards are not acceptable forms of identification. Acceptable documentation includes a state-issued driver's license, state-issued identification card, U.S. passport, or other government-issued photo identification permitted under U.S. Department of Education guidance.

V5: Aggregate Verification Group

This group is a combination of the V1 and V4 verification groups. Please reference all outlined requirements for V1 and V4 verification groups in the specified categories above.

Verification File Review

Files that were selected for Verification by either the Department of Education or EC3 will be reviewed at the time:

- All applicable Federal Verification Worksheet(s) have been completed and signed.
 - **Independent Students:** Student signature only
 - **Dependent Students:** Student and Parent/Guardian Signature
- Signed copy of the original tax return filed with the IRS and
- Signed copy of IRS Form 1040-X, or
- IRS Record of Account Transcript / Account Transcript signed by the student or the paid preparer's SSN or EIN have been received.
- If applicable, Government Issued ID has been received.

EC3 Financial Aid will confirm:

- **Tax Filers:**
 - The student's filing status is correct.
 - Adjusted Gross Income, Income Earned from Work, Income Tax Paid, Asset Values, Tax Exempt Interest Income, Education Credits, Foreign Earned Income Exclusions, and Family Size (when required under federal guidance) reported on the FAFSA are accurate.
 - Dependent Students Only: The student is not claimed as a Dependent on more than one Tax Return
- **Non-Tax Filers:**

- If the Income Earned from Work as reported on the applicable Wage and Income Transcript was reported accurately on the student's FAFSA application
- Whether a student's Income Earned from Work exceeds the Tax Filing Requirement

Conflicting & Inaccurate Information

If EC3 identifies or has **any** reason to believe the data or documentation provided is inaccurate, the discrepancy must be resolved before disbursing any Federal Student Aid. If the inaccurate information is discovered after the funds have been disbursed, it is still required to be resolved.

The employees in the Financial Aid Office must have a basic understanding of relevant tax issues that affect need analysis. The Financial Aid Coordinator is required to know whether a person was required to file a Tax Return, what the correct filing status for an individual should be, and that an individual cannot be claimed as an exemption by more than one person. * Reference IRS Publication 17.

** Note: EC3 is **only** exempt from resolving conflicting information if the student is deceased.*

Note: If any student received Federal Financial Aid based on incorrect or fraudulent information, all disbursed Federal Financial Aid is subject to repayment including fines and fees. Additionally, if it is discovered that you purposely provided false or misleading information during any step of the Federal Financial Aid eligibility process, you may be fined up to \$20,000, sent to prison, or both. For additional information related to the Importance of Submitting Accurate Information please visit: <https://studentaid.gov/help/submitting-accurate-info>

Outcome of Verification File Reviews

If a Verification File Review results in a revision to a student's Financial Aid Eligibility, the student will be notified via a revised Funding Estimate letter. If upon Verification File Review, it is determined that no data elements are in need of correction, the student will be notified via email.

Verification Exclusions

Due to unusual circumstances, there are times when a student's application may be exempt from verification. In these cases, all verification exclusion methodology must be documented in the student's file. The unusual circumstances are as follows:

- Death of the student
- The student is not an aid recipient.

- The applicant is eligible to receive only unsubsidized Title IV assistance.
- Current guidance continues to allow a post-enrollment exclusion when:
 - The student completed enrollment for the award year,
 - No further disbursements will be made,
 - The institution receives a verification-selected transaction after enrollment has ended.
- This exclusion continues to apply when a spouse:
 - Is deceased,
 - Is mentally incapacitated,
 - Is physically incapacitated,
 - Cannot be located, or
 - Resides in a foreign country and cannot reasonably be contacted.
- This remains an acceptable exclusion for dependent students when the parent:
 - Is deceased,
 - Is mentally incapacitated,
 - Is physically incapacitated,
 - Cannot be located, or
 - Resides in a foreign country and cannot reasonably be contacted.

Database Matches, Reject Codes, & "C" Codes Clearance

The FAFSA Processing System (FPS) receives and processes all FAFSA applications. FPS performs matches with federal agencies and databases, including the Social Security Administration (SSA), Department of Homeland Security (DHS), National Student Loan Data System (NSLDS), and Internal Revenue Service (IRS) data received through the FAFSA Direct Data Exchange (FA-DDX) to determine student eligibility. During the processing stage, FPS checks the application for inconsistencies, contradictions, and missing information. Comment Codes (commonly referred to as C Codes) indicate potential eligibility issues that must be reviewed and resolved before Title IV aid can be disbursed.

Database Matches:

Citizenship: The Social Security Administration did not confirm the student's U.S. citizenship status. EC3 Financial Aid will contact the student to request documentation of their citizenship (such as a U.S. passport, Certificate of Citizenship, Certificate of Naturalization, or other acceptable documentation authorized by the Department of Education). If the student's documentation supports their status as a U.S. citizen, EC3 Financial Aid Office will make a copy of the applicable documentation and clear the students file to receive Federal Student Aid provided

there are no additional requirements. If the student is an eligible noncitizen, EC3 is required to verify their eligible noncitizen status and associated immigration documentation between what was entered on the FAFSA application and the official documentation provided by the student.

Department of Homeland Security: The U.S. Department of Homeland Security (DHS) has indicated that they have not yet confirmed the student's status as a noncitizen in an immigration status that is eligible for Federal Student Aid. In this case, DHS has indicated that they will continue to check their records and will provide updated status information through the FAFSA Processing System (FPS) when they have received more information from DHS.

National Student Loan Data System (NSLDS): The NSLDS Database Match may indicate that the student has been flagged for a:

- Federal Grant Overpayment
- Had a Federal Direct Loan discharged due to Total and Permanent Disability
- Has reached a federal aid usage limitation, including Pell Grant Lifetime Eligibility Used (LEU) or annual/aggregate loan limits.

Foreign Exempt Income: The FAFSA reported foreign earned income exclusion information that may affect federal aid eligibility calculations. EC3 Financial Aid will contact the student to request applicable documentation for review before determining a student's eligibility for Federal Student Aid.

Unaccompanied Homeless Youth: The student did not report information about their parents and indicated that they are an unaccompanied youth and homeless, or an unaccompanied youth at risk of homelessness. EC3 Financial Aid will contact the student to review documentation or determinations supporting the student's homeless youth status in accordance with federal guidance before determining Federal Student Aid eligibility. See Professional Judgment - Unusual Circumstances for additional information.

Reject Codes

A FAFSA reject code indicates an error or inconsistency found on a Free Application for Federal Student Aid (FAFSA) form, preventing the application from being processed until the issue is corrected; these codes are usually displayed on the FAFSA Submission Summary (FSS), when applicable and specify the exact reason for the rejection, such as missing information, invalid data, or discrepancies with Social

Security Administration records, allowing the student to fix the problem and resubmit their FAFSA.

All FAFSA applications with reject codes do not have a calculated Student Aid Index (SAI) and the data in question is highlighted on the ISIR. EC3 will contact the student to inform them of the applicable Reject Code and provide guidance on the additional information required to clear the Reject Code and allow the FAFSA Processing System (FPS) to produce a valid FAFSA.

Review of Subsequent ISIR Transactions - Post screening

EC3 Financial Aid Office is required to review all subsequent ISIR transactions, even if a previous transaction was already verified. During the review of a Subsequent ISIR, the Financial Aid Administrator will determine:

- If the SAI has changed
- There is a new Database Match or C Code flag.
- If there are new NSLDS alerts, transfer monitoring results, or eligibility-related comments, the student attended before enrolling at EC3.

If EC3 Financial Aid office identifies a change in the students Financial Aid eligibility or relevant data elements have not been verified, a closer examination is necessary. EC3 will contact the student directly for any additional required documentation. Any Database Matches, C Code Flags or NSLDS Data changes must be resolved. Necessary updates and/or corrections will be made at the time the additional documentation has been verified.

If there are no changes to the SAI, Database Matches, C Code flags or NSLDS data, no action is required. If the SAI has changed but does not affect the student's Financial Aid eligibility or the data elements that changed have already been verified, no action is required. If the SAI has changed affecting the student's Financial Aid eligibility, the student will be notified via a revised Funding Estimate letter.

Professional Judgment

EC3 Financial Aid understands that, when completing the FAFSA application, there are special and unique circumstances in which we are authorized to make appropriate, reasonable adjustments on a case-by-case basis in accordance with federal guidelines.

- Professional judgment reviews are conducted:
 - To adjust components of a student's cost of attendance or the data that determined a student's SAI to account for a student's special circumstance.

- To account for a student's unusual circumstances that warrant making a dependent student an independent student.
- If a student should be classified as an unaccompanied homeless youth
- To resolve conflicting information in the data provided on a student's FAFSA application.
- If credible information indicating fraud, misrepresentation, or criminal misconduct is identified
- Professional judgment reviews will **never** result in a modification to the formula, or the tables developed by the Department of Education and used in a student's SAI calculation.
- The only adjustments that can be made are to the cost of attendance or the student specific data used in their Title IV eligibility determination as it relates to their special or unusual circumstances.
- Professional Judgment requests are generally reviewed only for students who have applied for admission and are seeking financial aid at EC3.

Special Circumstances that constitute a Professional Judgment Consideration

- Special Circumstances that may justify an adjustment to a student's cost of attendance or SAI calculation based on their financial situation are as follows:
 - Change in employment status, income, or assets.
 - Change in housing status (i.e., homelessness, family size, divorce, death of a spouse, etc.)
 - Tuition expenses at an elementary or secondary school
 - Medical, dental, or nursing home expenses are not covered by insurance.
 - Child or dependent care expenses such as daycare
 - Severe disability of the student or other member of the student's household
 - A qualifying emergency
 - Other changes or adjustments that impact on the student's costs or ability to pay for college that justify an aid administrator adjusting data elements in their Cost of Attendance or in their SAI calculation.

Special Circumstances that do not constitute a Professional Judgment Consideration

- EC3 Financial Aid is held accountable for all professional judgment appeals and must make 'reasonable' decisions that support the intent. Therefore, there are circumstances that do not constitute a professional judgment review:
 - Vacation Expenses
 - Voluntary personal expenses and discretionary expenditures
 - Standard Living Expenses (Utilities, Credit Card Expenses, Children's allowances, etc....)

Required Documentation for all Special Circumstance Professional Judgment Appeal Submissions

- A Current Year FAFSA Application
- Current Year Professional Judgment Application

- All necessary supporting documentation (i.e., Applicable Tax Returns, Unemployment documentation, Documentation of applicable household changes, etc....)
 - If a student was selected for verification by EC3 Financial Aid or the Department of Education, the verification must be completed first to ensure that the correct information is being used for a Professional Judgment consideration.
 - In this scenario, the verification and Professional Judgment adjustments can be made on the same ISIR transaction.
 - Note: Not all students exercising professional judgment are required to complete verification if they were not selected by EC3 Financial Aid or the Department of Education prior to their Professional Judgment application.

Outcome of a Special Circumstance Professional Judgment Request

- If a Professional Judgment application is approved:
 - The student will receive written notification via email.
 - Applicable revisions will be made to students' awards.
 - Applicable adjustments will be made to the students' FAFSA application.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.
- If a Professional Judgment appeal is tabled and requires additional information/documentation for review:
 - The student will receive written notification via email.
 - The student will be responsible for contacting EC3 Financial Aid directly regarding the request for additional information/documentation.
 - Students' file will be documented with the professional judgment decision, date of the action and the person(s) involved in the determination.
 - If the additional information/documentation is not received before the end of the applicable term, the student's Professional Judgment appeal will be denied, and the student will be referred to the Student Accounts Department for alternative payment arrangements.
- If a Professional Judgment appeal is denied:
 - The student will receive written notification via email.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.

Unusual Circumstances that Constitute a Professional Judgment Consideration

- Unusual Circumstances that may justify an adjustment to a student's dependency status based on their personal circumstances are as follows:
 - Human Trafficking

- Legally granted refugee or asylum status
- Parental abandonment or estrangement
- Student or parental incarceration

Unusual Circumstances that do not constitute a Professional Judgment Consideration

- EC3 Financial Aid is held accountable for all Professional Judgment applications and must make 'reasonable' decisions that support the intent. Therefore, there are circumstances that do not constitute a professional judgment review:
 - Parents refusal to contribute to the student's education.
 - Parents will not provide information for the FAFSA or verification.
 - Parents do not claim the student as a dependent for income tax purposes.
 - A student demonstrates total self-sufficiency.

FAFSA Applications Transmitted with Provisional Independent Status

- Those students who indicate Unusual Circumstances that prevent them from providing parental data on their FAFSA application will be prompted to complete screening steps to confirm their unusual circumstances.
- When the screening steps have been completed, the students FAFSA application will be processed as 'Provisionally Independent' and subsequently produce a provisional SAI calculation.
- However, when EC3 receives the FAFSA application, it will be delivered as rejected pending further action from EC3 Financial Aid.
 - See Below: Required Documentation for all Unusual Circumstance Professional Judgment Applications

Required Documentation for all Unusual Circumstance Professional Judgment Applications

- A Current Year FAFSA Application
- Current Year Professional Judgment Application
- All necessary supporting documentation:
 - A documented interview between the student and EC3 Financial Aid
 - A court order or official Federal or State documentation that the student or student's parents or legal guardians are incarcerated or incapacitated.
 - A written statement on professional letterhead from a case worker, attorney, medical professional, teacher, or designated liaison as identified by the Financial Aid Representative confirming a student's Unusual Circumstances and their relationship to the student.
 - Note: If a student was selected for verification by EC3 Financial Aid or the Department of Education, any required verification and conflicting information must be resolved before finalizing a Professional Judgment determination that affects Title IV eligibility.

- In this scenario, the verification and Professional Judgment adjustments can be made on the same ISIR transaction.
- Not all students exercising Professional Judgment are required to complete verification if they were not selected by EC3 Financial Aid or the Department of Education prior to their Professional Judgment application.

Outcome of an Unusual Circumstance Professional Judgment Request

- If a Professional Judgment application is approved:
 - The student will receive written notification via email.
 - Applicable revisions will be made to students' awards.
 - Applicable adjustments will be made to the student's FAFSA application.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.
- If a Professional Judgment appeal is tabled and requires additional information/documentation for review:
 - The student will receive written notification via email.
 - The student will be responsible for contacting EC3 Financial Aid directly regarding the request for additional information/documentation.
 - Students' file will be documented with the professional judgment decision, date of the action and the person(s) involved in the determination.
 - If the additional information/documentation is not received before the end of the applicable term, the student's Professional Judgment appeal will be denied, and the student will be referred to the Student Accounts Department for alternative payment arrangements.
- If a Professional Judgment appeal is denied:
 - The student will receive written notification via email.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.

*Note: EC3 Financial Aid presumes that any student who has been approved for an adjustment due to Unusual Circumstances and a final determination of independence has been granted, the dependency status stands in each subsequent award year unless –

- The student informs EC3 that their circumstances have changed; or
- EC3 becomes aware of conflicting information about the students' independence.
- Note: EC3 Financial Aid is **not** authorized to ask each student, every academic year, if their Unusual Circumstances have changed without justification in the definitions above

Unusual Circumstances that Constitute a Professional Judgment Consideration - Homeless or Unaccompanied Youth

- A student is considered homeless if they lack fixed, regular, and adequate housing which extends beyond just 'living on the street.'

Required Documentation for all Unusual Circumstance Professional Judgment Applications - Homeless or Unaccompanied Youth

- A Current Year FAFSA Application
- Current Year Professional Judgment Application
- All necessary supporting documentation:
 - Documentation may include, but is not limited to, determinations from authorized agencies, written statements from third parties, documented interviews, or other information sufficient for the institution to make a reasonable determination.
 - Note: If a student was selected for verification by EC3 Financial Aid or the Department of Education, any required verification and conflicting information must be resolved before finalizing a Professional Judgment determination that affects Title IV eligibility.
 - In this scenario, the verification and Professional Judgment adjustments can be made on the same ISIR transaction.
 - Not all students exercising Professional Judgment are required to complete verification if they were not selected by EC3 Financial Aid or the Department of Education prior to their Professional Judgment application.

Outcome of an Unusual Circumstance Professional Judgment Request - Homeless or Unaccompanied Youth

- If a Professional Judgment application is approved:
 - The student will receive written notification via email.
 - Applicable revisions will be made to students' awards.
 - Applicable adjustments will be made to the student's FAFSA application.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.
- If a Professional Judgment appeal is tabled and requires additional information/documentation for review:
 - The student will receive written notification via email.
 - The student will be responsible for contacting EC3 Financial Aid directly regarding the request for additional information/documentation.
 - Students' file will be documented with the professional judgment decision, date of the action and the person(s) involved in the determination.

- If the additional information/documentation is not received before the end of the applicable term, the student's Professional Judgment appeal will be denied, and the student will be referred to the Student Accounts Department for alternative payment arrangements.
- If a Professional Judgment appeal is denied:
 - The student will receive written notification via email.
 - Students' file will be documented with the Professional Judgment decision, date of the action and the person(s) involved in the determination.
- Note: EC3 Financial Aid presumes that any student who has been approved for an adjustment due to Unusual Circumstances and a final determination of independence has been granted, the dependency status stands in each subsequent award year unless –
 - The student informs EC3 that their circumstances have changed; or
 - EC3 becomes aware of conflicting information about the students' independence.
 - Note: EC3 Financial Aid is **not** authorized to ask each student, every academic year, if their Unusual Circumstances have changed without justification in the definitions above

Disbursement Process

Students are notified of disbursements and adjustments through institutional communication channels. If there are any problems, the Financial Aid Office will notify the student.

On the scheduled disbursement date, the funds will be credited to the student's account by the Business Office. The funds will first be applied to any unpaid balance on the student's account. A Title IV credit balance may then be refunded to the student within 14 days of the credit balance date.

Federal regulations require a school to divide the functions of authorizing payments and disbursing funds so that no single office or individual has the responsibility for both functions for any student receiving Title IV funds. The Bursar is responsible for disbursing funds. The Bursar will immediately inform the Financial Aid Office of any funds received which are not awarded or acknowledged by the Financial Aid Office (e.g., outside scholarships).

The following financial aid programs are directly applied to the student account to pay college charges such as tuition and fees, room, and board (if applicable), etc.:

- Federal Pell Grant

- Federal Supplemental Educational Opportunity Grant
- Pennsylvania Higher Education Assistance Agency (PHEAA) funds
- Workforce Innovation and Opportunity Act funds
- EC3 Foundation Scholarships
- Outside Scholarships

Definition of Disbursements and Disbursement Methods

Based on federal cash management regulations, “disbursement” is defined as the payment of federal student aid to the student account or student/parent directly. Disbursements may be used to cover allowable charges (tuition, fees, and if contracted with the college, room, and board). The college must have authorization from the student/parent to use federal student aid to cover the cost of other education- related expenses. Federal student aid is applicable only to allowable charges for the enrollment period for which it is awarded unless authorization is obtained to apply the funds to minor prior year charges (less than \$200). Other sources of financial aid may be applied to cover prior year’s charges.

Disbursement Dates and Schedules

Early Disbursements - Federal aid may be disbursed no earlier than permitted under applicable federal regulations. Any federal student aid disbursed early for a student who never attends classes must be returned to the fund source. Pell Grant awards are recalculated in accordance with the institution's established Pell Recalculation Date policy and applicable federal regulations.

Retroactive Disbursements - Federal regulations require that EC3 pay a student retroactively for completed payment periods within the award year if the student was eligible during those periods.

Thus, a student for whom an ISIR is received in the spring may receive a fall Pell disbursement if the student was enrolled and eligible for the fall disbursement. This disbursement would be based upon the enrollment status and Pell Grant eligibility rules applicable to that payment period, not the level of enrollment for which the student originally registered.

Late Disbursements - In certain circumstances a student may be eligible for a disbursement for which the student would otherwise be ineligible due to no longer being enrolled at the college. As long as the Financial Aid Office has a valid ISIR with an official Student Aid Index (SAI), or a FAFSA transaction establishing eligibility, dated prior to the date the student became ineligible, the student may be considered for a late disbursement. FSEOG must have been awarded to the student prior to the date that the student became ineligible.

Late disbursements must be made or offered to those students who complete the payment period or withdraw during the payment period. If the late disbursement is made/offered to a student who withdraws during the payment period, it is called a post-withdrawal disbursement.

The Financial Aid Office is not permitted to make a late disbursement if (a) it is a second or subsequent disbursement if the student has not graduated or has not completed the payment period.

(b) the student is a first-time borrower who did not complete the first 30 days of the program of study; (c) it is a Pell Grant disbursement and the ISIR processed date is beyond the deadline set by the Department of Education; or (d) more than 120 days have elapsed since the student became ineligible.

Satisfactory Academic Progress (SAP) Standards and Financial Aid

EC3 maintains SAP standards for students receiving Title IV federal financial aid. State aid programs may impose additional eligibility requirements. This policy ensures that any student who receives or applies for financial aid is making progress toward a degree or certificate. The student's total academic history is monitored regardless of whether they have previously received financial aid. SAP evaluations are conducted at the end of each payment period for all students receiving Title IV aid.

In order to maintain eligibility for financial aid, a student must meet the SAP requirements listed below. Failure to meet SAP requirements will result in the loss of all state and federal aid.

The Satisfactory Academic Progress Policy measures three factors:

Quantitative Measure (Pace)

The quantitative measure for satisfactory academic progress requires that a student must successfully complete 67% of enrolled credit hours. This will be measured on a cumulative basis.

Example: If the student enrolls for a total of 24 credit hours their first academic year, the student must satisfactorily complete 16 credit hours ($24 \text{ credit hours} \times .67 (67\%) = 16 \text{ credit hours}$). Each term students must complete the following:

Qualitative Measure (GPA)

The qualitative measure for SAP requires that a student maintain a minimum cumulative grade point average. During the entirety of a student's program, the student must maintain a minimum cumulative GPA of 2.0.

Maximum Timeframe (MTF)

In addition to the minimum overall cumulative grade average and pace percentage given above (Qualitative and Quantitative Measures), students must also progress toward successful completion of the program within a maximum timeframe. The maximum timeframe for program completion may not exceed 150% of the published length of the program. For transfer students, accepted transfer credits will be counted toward the maximum timeframe.

Example: Associate of Arts degree = 61 credit hours. Maximum enrolled credit hours permitted to complete this program would be 91.5 (61 credit hours x 1.5 (150%) = 91.5 credit hours). The maximum timeframe is rounded up to 92 attempted credits.

Categories of Academic Progress

1. SAP Warning: At the end of the evaluation period, a student will be placed on SAP Warning if the satisfactory academic progress standards outlined above have not been met (Qualitative, Quantitative, MTF, or a combination). SAP Warning is available only for students who were meeting SAP standards during the immediately preceding evaluation period.

The student will be notified in writing when he/she is placed on SAP Warning and the conditions to be removed from this status. The student will also receive appropriate academic advising from the academic advisor when he/she is placed on SAP warning. If the student makes satisfactory academic progress on the next evaluation period, the student will be removed from SAP Warning.

Students under the SAP Warning status are still eligible for financial aid.

2. SAP Probation: If a student is on SAP Warning and still does not meet the Qualitative or Quantitative standards or exceeds the Maximum Timeframe (MTF) in a second evaluation period, they may be placed on SAP Probation. However, there are specific requirements that the student must fulfill to be considered on Probation status. During this time, the student will be placed on suspension until they meet the requirements. The student must then submit a written appeal to the Financial Aid Coordinator, which should include the following:

- A statement from the student describing the reasons for not meeting SAP.

- A detailed description of the steps the students will take to improve their academic standing in the future.
- All supporting documentation related to point 1.

The Financial Aid Coordinator will review the appeal, and the student will receive a written response within five business days. Only an appeal form submitted on time and supporting documentation will be considered. Submitting the appeal does not guarantee approval.

Only extraordinary and extenuating circumstances, such as the death or severe illness of immediate family member(s), will be considered. Before approving the appeal, a written academic plan, clearly identifying ways for the student to successfully complete the program within the maximum timeframe allowed, will be provided.

If the appeal is approved, the student will then be placed on SAP Probation and financial aid eligibility reinstated. This means that the student will be on the probationary status for the next evaluation period, during which time they must meet the terms and conditions defined by the Financial Aid Coordinator when the appeal was approved. If the student makes satisfactory academic progress on the next evaluation period, the student will be removed from SAP Probation, offering a positive outcome.

If the appeal is denied, the student will not be put in SAP probation status, therefore the student will not be eligible for federal student aid and need to use alternative financial resources to pay for tuition and other school expenses.

Student Attendance

- Instructors will maintain class attendance/participation through the Add/Drop Date for the course. The specific date is provided on each class syllabus.
 - Instructors will provide an attendance policy within their class syllabus
- Students who have not established attendance in any or all classes will have their Financial Aid eligibility adjusted
- Once all attendance is recorded, students who have not attended or participated in each class for which they are registered will be dropped from all courses (never-attender process)
 - The Registration Office will notify the Financial Aid Office of all dropped students in order to have federal, state, and institutional student aid awards recalculated
 - Students who fail to attend any classes during the academic term/semester will be ineligible for Title IV financial aid
- If a student has been reported as not-attending in all but one course, the student will remain enrolled in the course and may incur a balance owed to EC3

- Financial Aid eligibility is based on the course load actually attended
 - If notification of non-attendance in any class is received at any time, the determination of federal financial aid eligibility will be re-evaluated for that term/semester and may result in a reduction in financial aid and/or a balance due to EC3
- If a student has been reported as a never-attender in a class due to an attendance reporting error, the student should contact the Registration Office
 - The student will be responsible for contacting the instructor who reported their non-attendance
 - The instructor will then provide updated attendance information to the Registration Office
 - The student will be notified through their EC3 e-mail account when a decision is made regarding their attendance

Once the enrollment issue is resolved, the student should also verify with the Financial Aid Office that their financial aid has been adjusted

Treatment of Nonpunitive Grades, Repeated Courses, Audited Courses, Pass/Fail Courses, Withdrawals, Absences, & Incompletes

Audited Courses - Audited courses do not count as attempted or completed credits for SAP purposes and are not eligible for Title IV aid.

Pass/Fail Courses - Students have the opportunity to repeat any failed courses. Repeated coursework is included in SAP calculations in accordance with institutional academic policies and federal aid regulations. Attempted courses are included in the quantitative measure. Pass grades count as completed credits but may not affect GPA. Fail grades count as attempted but not completed credits.

Withdrawals - If a student withdraws and receives a W grade, this course is counted in the quantitative component (attempted) but is not factored into the GPA, the qualitative component of SAP.

Absences - Any absences beyond the permitted number of missed and made-up classes may constitute a failure of the course.

Incompletes - After 75% of the course session has been completed prior to the last class meeting, students with satisfactory academic standing who are unable to complete their coursework due to valid, unforeseen circumstances can request an incomplete grade with the permission of the instructor. If the instructor agrees, they will seek formal approval from the Dean via email using the following process:

- The instructor and student will make a written plan that identifies missing assignments and extended final due dates.

- The instructor emails the “Request for Incomplete Grade” to the DEAN, “CC” the student. The email should include:
 - Course section number and term (i.e., fall 2022 – 1st 8 weeks)
 - Student name/Instructor Name
 - The late work that has been extended (Identify the assignments)
 - An agreed upon plan for submitting the late work
 - Due date for that work
- The Dean will approve the plan via email – and “cc” the student.
- The instructor should assign the student’s “Incomplete” grade for the final grade in Workday by the regular Final Grades Due deadline.
- Once the work is submitted, follow the grade change process in Workday. The final changed grade must be submitted in WORKDAY no later than 90 days after the end of the term.
- An “I” grade will change to an F grade when the agreement of work is not satisfied or when the 90 days from the final day of the semester has elapsed.

Appeals

If there were extraordinary circumstances contributing to the lack of academic progress, the student may appeal their Not Meet SAP status by submitting the SAP appeal form, an Academic Plan, and any other requested documentation to the Financial Aid Office for review. Circumstances such as medical problems, illness or death in the family, relocation, or employment changes can be considered as extraordinary for an appeal

- The SAP appeal form must contain information regarding why the student failed to make satisfactory academic progress and what has changed in the student’s situation that will allow them to demonstrate SAP at the next evaluation (student’s next enrollment period)
- Some appeals may not be considered until the subsequent term’s midterm grades are evaluated and deemed successful
- The appeal requires an approved academic plan each student can obtain with the assistance from the Advising Office on a case-by-case basis. An academic plan will be required if SAP is not feasible at the next measurement period (student’s next period of enrollment)
 - Notification of a SAP appeal form must be communicated to the Advising Office to request an academic plan
 - Completion of the academic plan process DOES NOT guarantee the appeal will be accepted
 - Acceptance of an academic plan will result in a SAP status of probation and will be monitored each term to determine continuing eligibility

- Failure to adhere to the academic plan will result in a Not Meet SAP status. At this point, the student will have the option to regain eligibility by taking action that brings their SAP measures into compliance with both the qualitative and quantitative measures (above) without the assistance of federal or state funds
 - Circumstances that lead to the failure to maintain the conditions of the academic plan would have to be extreme and documentable, to allow consideration of an additional appeal
 - Neither paying for one's classes nor sitting out a term affects a student's SAP standing, so neither is sufficient to re-establish eligibility if the academic measures are not brought back into satisfactory range.
- The student will be notified in writing via email of the decision of the appeal committee which may not be determined until after proof of academic activity in the subsequent term, such as successful mid-term grades
 - **The student is responsible for charges on their account if the determination is negative and the Not Meet SAP status remains in effect**

Return of Title IV Funds

Process Overview & Applicability

Federal regulations require that the Return of Title IV Funds calculation be performed if any Title IV recipient withdraws from all classes prior to the end of the payment period (term). If a student has attended up to 60% of the payment period, the calculation will determine the earned amount of aid, and any unearned aid must be returned. If a student has attended more than 60% of the payment period, the student has earned 100% of federal aid scheduled. The Return of Title IV Funds calculation is performed using the student's withdrawal date as determined under federal regulations. The institution will use the student's official withdrawal date or, when applicable, the last date of academically related activity to determine earned and unearned Title IV aid.

Leave of Absence

A leave of absence (LOA) refers to a specific time period when a student is not in attendance as specified by his or her academic calendar. Students may apply in writing to take a leave of absence. Application is by letter to the Financial Aid Coordinator, explaining the reasons for the requested leave of absence. Valid reasons would include medical issues, illness of a family member, military service, or

prolonged jury duty, for example. Approval for the leave of absence must be received from the Financial Aid Coordinator. When enrolled into a selective admission program, return to any time slot is not guaranteed; it is dependent on space availability. A student who does not return after a granted leave of absence will be considered withdrawn.

Federal Title IV regulations recognize only approved LOAs that meet specific requirements:

- Request must generally be made in advance.
- LOA must be formally approved.
- LOA cannot exceed 180 days in any 12-month period.
- Student must be expected to return.
- Program requirements must permit the interruption.

Otherwise, the student is considered withdrawn for Title IV purposes.

Refund Formula Calculation

The Return of Title IV calculation is a proration of earned versus unearned financial aid during a period of enrollment. The earned financial aid percentage is determined by taking the days attended in the period by the total days in the period. Subtracting earned aid from aid that was awarded and disbursed gives you the amount of unearned aid that must be returned. The responsibility to repay unearned aid is shared by the Institution and the student in proportion to the aid each is assumed to possess.

Unearned grant funds the student must return are classified as an overpayment. Students must repay half of the unearned amount of any grant overpayments. *As a result of the Higher Education Reconciliation Act of 2005 (HERA), the student is not required to return an overpayment amount that is \$50 or less, effective 7/1/2006.*

The student may be billed for any account balance created when the Institution is required to return funds. The balance due would be the result of tuition charges that are no longer being covered by the unearned aid or unearned aid that the student received.

If the student did not receive all the funds that were earned, he/she may be due to a post-withdrawal disbursement.

If the school or student receives excess Title IV program funds that must be returned, the school or student must return the lesser of:

- Unearned Title IV aid; or

- Institutional charges multiplied by the unearned percentage.

Post-Withdrawal Disbursements (PWD)

A PWD is offered to the student if, prior to withdrawing, the student earned more federal financial aid than was disbursed for the payment period. The amount earned is determined as part of the required federal Return of Title IV Funds calculation.

Offering Post-Withdrawal Disbursements Not Credited to Student's Account

If after performing the Return of Title IV calculation it is determined that the student earned aid that was not received, the Financial Aid Office must offer this aid as a post-withdrawal disbursement. Any earned aid not credited to the student must be made available to the student. A written notification must be sent within 30 days of the date the college determined the student withdrew.

The notification must include the type and amount of Title IV funds and an explanation of the right of the student/parent to decline all or a portion of the post-withdrawal disbursement, along with the deadline.

Returning Unearned Funds

Under the Return to Title IV policy, the programs offered at EC3 are refunded in the following order:

- Federal Pell Grant
- Iraq and Afghanistan Service Grant
- FSEOG

Institutional Refunds

EC3 utilizes a pro-rated refund system that considers the length of the class and when the withdrawal occurs to determine the refund amount owed back to the student. Note that some course fees are non-refundable and will be deducted from any refund owed to the student.

The chart below describes the pro-rated system:

Erie County Community College Refund Schedule			
Term	100% Refund*	50% Refund*	No Refund
16-week	Withdrawals occurring prior to the start of the second week of the term	Withdrawals occurring during the third week of the term	Withdrawals occurring during the fourth week of the term and beyond
8-week	Withdrawals occurring within the first three (3) calendar days of the term	Withdrawals occurring during the first 20% (11 calendar days) of the term	Withdrawals occurring on or after the twelfth (12 th) calendar day of the term
4-week	Withdrawals occurring within the first three (3) calendar days of the term	Withdrawals occurring during the first 20% (5 calendar days) of the term	Withdrawals occurring on or after the sixth (6 th) calendar day of the term

Overpayments and Overawards

An overpayment is the result of a student receiving more aid than the student is eligible to receive. One type of overpayment is an overaward which happens as a result of a student's financial aid package exceeding their financial aid need. In resolving an overaward, the institution will generally adjust other forms of financial assistance before reducing a Federal Pell Grant when permitted by federal regulations. However, Federal Pell Grant awards may be recalculated or adjusted when required by changes in eligibility, enrollment status, Cost of Attendance (COA), Student Aid Index (SAI), Pell Grant eligibility criteria, or other federal requirements.

Beginning with the 2026-27 award year, an applicant whose Student Aid Index (SAI) is equal to or greater than twice the maximum Federal Pell Grant award for the applicable award year is not eligible to receive a Federal Pell Grant. For the 2026-27 award year, the maximum Pell Grant is \$7,395; therefore, the applicable SAI threshold is \$14,790. This limitation does not apply to students eligible for a Pell Grant under the Special Rule for eligible dependents of certain deceased servicemembers and public safety officers.

EC3 will review all nonfederal grants and scholarships received or anticipated through the student's final Pell Grant disbursement and will resolve Pell Grant ineligibility arising under 34 CFR 690.5 and 690.80(d) in accordance with the procedures described in the Packaging Financial Aid section.

Resolving an Overpayment When School is Liable

Students are not liable for overpayment of Pell Grant caused by an error in the Financial Aid Office. Subsequent disbursements cannot be reduced to correct such errors.

Pell Grant overpayments must be corrected by making a downward adjustment in COD and returning the funds or disbursing the funds to another eligible student. If this adjustment results in a debit on the students' account, the school may attempt to collect the amount from the student; this is an institutional debt, not a Title IV debt.

If the overpayment results from a provisional or estimated award that is later determined to be incorrect, the student retains Title IV eligibility if the student repays the overpayment in full or makes satisfactory repayment arrangements. If the student does not repay the overpayment, the school must repay it from school funds within 60 days of the first occurrence of either the student's last day of enrollment or last day of the award year.

If a student has been awarded Pell at multiple institutions for the same enrollment period, it is flagged as a potential overaward. The Financial Aid Office at the institutions must coordinate so that the student receives Pell at only one institution per enrollment period. If a student is identified as receiving Federal Pell Grant funds from multiple institutions for the same enrollment period, the institution will review the student's enrollment and Pell Grant eligibility and coordinate with the other institution(s), as necessary, to resolve the duplicate award in accordance with Department of Education requirements.

Resolving an Overpayment When the Student is Liable

Students who receive more Pell funds than they are eligible for due to decreased Pell eligibility are responsible for the overpayment. An attempt can be made to reduce the overpayment by adjusting later Pell disbursements during the award year.

Students remain responsible for Pell overpayments resulting from:

- Incorrect eligibility information,
- Changes in enrollment,
- Eligibility changes discovered after disbursement,
- Other student-caused eligibility issues.

If the overpayment cannot be resolved by adjusting subsequent disbursements of Pell, the student must be notified promptly. This notification should include a request for full payment and an explanation that if the student does not make payment in full or satisfactory repayment arrangements, the student will be ineligible for Title IV aid until the overpayment is resolved.

Pell overpayments must be reported to NSLDS within the timeframes required by federal regulations. Overpayments for which the school is liable are not reported to NSLDS.

Generally, a student is not required to repay a Title IV grant overpayment if the amount of the overpayment is \$25 or less. However, this limitation does not apply when the amount represents the remaining balance of an overpayment that originally exceeded \$25. Overpayments that exceed applicable federal thresholds must be resolved in accordance with federal regulations before the student may regain or maintain eligibility for Title IV financial aid.

Title IV Fraud

Student Fraud

The Financial Aid Office must refer credible information indicating that an applicant, student, employee, or other individual may have engaged in fraud, misrepresentation, or other criminal misconduct involving Title IV funds to the U.S. Department of Education Office of Inspector General (OIG). All conflicting or discrepant information related to federal student aid eligibility must be reviewed and resolved before Title IV aid is disbursed.

Examples such as:

- False dependency status claims
- False citizenship claims
- Identity theft
- Forged signatures
- False income information

Reports may be submitted to the U.S. Department of Education Office of Inspector General (OIG) through the OIG Hotline.

Institutional & Third-Party Fraud

The Financial Aid Office must refer credible information indicating that a third party, institution employee, contractor, or other individual may have engaged in fraud, misrepresentation, or other criminal misconduct involving Title IV programs to the U.S. Department of Education Office of Inspector General (OIG).

Audits

Type of Audit

The institution complies with all federal audit and reporting requirements applicable to its participation in Title IV programs. Compliance and financial audits are conducted by independent auditors as required by federal regulations.

Compliance Audit - This type of audit measures whether or not the school is adhering to federal laws with regard to the administration of Title IV programs.

Financial Statement Audit - The financial statement audit evaluates the institution's financial statements and financial responsibility in accordance with applicable federal requirements.

Audit Submission Schedule

Required audit reports and financial statements will be submitted to the U.S. Department of Education within the timeframes prescribed by federal regulations.

Student Tuition and Transparency Reporting

EC3 will comply with all applicable program-level and student-level reporting requirements under the Financial Value Transparency/Gainful Employment regulations and the Student Tuition and Transparency System (STATS). For the October 1, 2026 reporting deadline, EC3 will submit the required information under either the existing FVT/GE reporting structure or the early-implementation provisions for STATS, as permitted by the Department of Education. EC3 will maintain supporting documentation and review submission results and error reports to ensure that required information is reported accurately and timely.

Resources & Reference Documents Glossary

Academic Year: A period that begins on the first day of classes and ends on the last day of classes or examinations and that is a minimum of 30 weeks (except as provided in 34 CFR 668.3) of instructional time during which, for an undergraduate educational program, a full-time student is expected to complete at least:

- Nine hundred clock hours in an educational program whose length is measured in clock hours.
- Twenty-four semester or trimester hours or 36 quarter hours in an educational program whose length is measured in credit hours.

Accreditation: An impartial organization or body has made a thorough assessment of a school's ability to provide appropriate faculty, curriculum, and facilities for students to pursue a particular field of study.

Standards for accreditation may vary significantly among organizations. Generally, an institution must be accredited by a nationally recognized accrediting agency or association to be eligible for federal student aid funds. The U.S. Department of Education periodically publishes a list of recognized accrediting bodies in the Federal Register. To see the most current list, click here: [Postsecondary Education Institutions Accreditation](#)

Accrued Interest: The interest that accumulates on the unpaid principal balance of a loan.

Annual Percentage Rate (APR): The interest maintained on a loan for a one-year period.

Award: An Award refers to the amount of money a student and/or borrower is eligible to receive for a period of time. Awards are designated by program (e.g., Direct Loan or Pell Grant), by institution, and by award year.

Award Year: For Pell Grant, the twelve-month period beginning on July 1st and ending June 30th of the following year. This also applies to what has previously been called the Direct Loan Program Year, which is the period of time in which schools could potentially process a Direct Loan for a particular Award Year.

Capitalization: The addition of unpaid accrued interest applied to the principal balance of a loan that increases the total debt outstanding.

Common Origination and Disbursement (COD) System: The COD System is a technical solution designed to accommodate the COD Process for the Pell Grant and

Direct Loan programs. The COD System will be expanded to support the optional reporting of campus-based programs.

Common Record: The Common Record is a data transport mechanism exchanged by trading partners participating in Federal Student Aid. The Common Record is a document formatted in Extensible Markup Language. Schools that use the Common Record to transmit data to the Department of Education COD System are referred to as Full Participants.

Consolidation: Combining several education loans into a new loan with a new payment schedule and interest rate.

Cost of Attendance (COA): Tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable) dependent childcare costs, costs related to a disability, study-abroad costs, and other miscellaneous expenses, as outlined in Section 472 of the Higher Education Act. The COA includes reasonable costs for eligible study-abroad programs as well. For students attending less than half time the COA includes only tuition and fees and an allowance for books, supplies, transportation, and dependent care expenses.

Default: The failure to repay a loan in accordance with the terms of the promissory note. Default occurs after 270 days of non-payment on an account for Title IV loan programs.

Deferment: An approved temporary suspension of loan payments based on certain events and criteria.

Delinquency: The failure to make scheduled monthly loan payments when they are due.

Disbursement: Title IV program funds are disbursed when a school credits a student's account with funds or pays a student or parent directly with either: Title IV funds received from ED, or Institution funds used before receiving Title IV program funds.

Drawdown: A drawdown occurs when a school or COD, on behalf of a school, initiates a request for money through G5, and the funds are transmitted from the US Treasury to the school's bank account.

Endorser: A person who signs a PLUS loan on behalf of the parent because the parent's credit check was declined. The endorser accepts full financial responsibility to pay back the PLUS loan if the parent does not do so.

Enrollment Date: The first date that the student was enrolled in an eligible program for the designated award year. If the student enrolled in a crossover payment period before the first day of the Pell award year (July 1), but which will be paid from 2025-2026 funds, report the actual start date of the student's classes for that payment period.

FAFSA Processing System (FPS): This is the Department of Education system that processes information from the Free Application for Federal Student Aid (FAFSA), calculates the Student Aid Index (SAI) for each applicant, prints the FAFSA Submission Summary (FSS), and transmits Institutional Student Information Record (ISIR) data electronically. Data from the FPS system is used by the COD System to verify eligible students.

FAFSA Processing System (FPS) Transaction Number: The transaction number assigned to a processed FAFSA record. Each correction or update submitted through FPS generates a new transaction number.

FAFSA Submission Summary (FSS): After FAFSA processing, students receive a FAFSA Submission Summary (FSS) that provides a summary of FAFSA information, eligibility indicators, and processing results.

Federal Pell Grant Payment Schedule: The Schedule of Federal Pell Grant Awards. The Schedule is based on the SAI, the enrollment status, and the school COA.

Federal Pell Grant Program: A type of federal financial aid awarded to eligible, qualified applicants. A Federal Pell Grant, unlike a loan, does not need to be repaid. Generally, Pell Grants are awarded only to undergraduate students that have not earned a bachelor's or professional degree.

Federal Supplemental Educational Opportunity Grant (FSEOG): A federal grant awarded to undergraduate students with exceptional financial need, subject to available funding.

Federal Work Study (FWS): A federally funded employment program that provides part-time jobs to eligible students with financial need.

Financial Need: The amount by which a student's Cost of Attendance (COA) exceeds the Student Aid Index (SAI) and other financial assistance, as applicable under federal aid program rules.

Forbearance: The approved temporary suspension or reduction of loan payments due to a financial hardship during which interest continues to accrue.

Free Application for Federal Student Aid (FAFSA): This is the application that must be filed by an applicant to apply for any student financial aid distributed by the federal government.

FSA: The Office of Federal Student Aid within the U.S. Department of Education.

FSA Partner Connect/Knowledge Center: This FSA web site ([Link](#)) provides information to financial aid professionals in the areas of Title IV federal programs, publications, regulations, and correspondence regarding administration of Title IV federal programs. This Web site also maintains Action Letters, Dear Partner Letters, Direct Loan Bulletins, Electronic Announcements (P-Messages), Federal Registers, and FSA Handbooks issued by the US Department of Education.

G5: The federal system called G5 is used by the U.S. Department of Education's Office of Chief Financial Officer to process school-specific obligations and to make payments (drawdowns) against those obligations. G5 communicates with the COD system through FMS. G5 is part of EDCAPS and interfaces directly with U.S. Treasury's Federal Reserve System.

Grace Period: The period after a student either graduates, leaves school (unofficially or officially), or drops below half-time before loan payments begin.

Grant: A type of financial aid that does not have to be repaid. Generally, grants are for undergraduate students, and the grant amount is based on need, school cost, and enrollment status.

Guarantor: The agency or institution that repays lenders in the event of a default.

Institutional Student Information Record (ISIR): The ISIR is the electronic record of a processed FAFSA transaction that institutions use to determine Title IV eligibility. The ISIR contains the family's financial and other information reported on the Free Application for Federal Student Aid (FAFSA), as well as key processing results and National Student Loan Data System (NSLDS) Financial Aid History information. It is transmitted electronically to postsecondary schools and state educational agencies.

Interest: The dollar amount charged to borrow money.

Lender: The institution that provides the money to be borrowed through the student loan program.

Loan: Borrowed money that must be repaid with interest. Both undergraduate and graduate students may borrow money. Parents may also borrow to pay education expenses for dependent undergraduate students who are enrolled at least half-time. Maximum loan amounts increase with each year of completed study.

Master Promissory Note (MPN): The approved promissory note that is used for all Direct subsidized and unsubsidized loans and PLUS loans.

Multiple Reporting Record (MRR): For the Pell Grant program, the Multiple Report Record (MRR) identifies originations and/or disbursements being reported by more than one institution for the same student.

The multiple report records are designed to provide institutions with information to identify and resolve potential overaward payments and concurrent enrollments before they occur. Institutions may request records identifying the institutions which have originated or disbursed for specific recipients, specific institutions, or for all students originated at their school. This request can be done electronically through the COD web site or by phone to COD School Relations Center (1 -800-4-PGRANT).

National Student Loan Data System (NSLDS): As a Title IV automated system, the National Student Loan Data System, or NSLDS, is a national database of information about loans and other financial aid awarded to students under Title IV of the Higher Education Act of 1965. This system prescreens applications for Title IV aid, supports program administrative research functions, and improves Title IV aid delivery through automation and standardization. If student borrowers want to find out information about his/her student loans, they can use the NSLDS Financial Aid Review service, operated by the U.S. Department of Education. Student borrowers may access federal aid history through StudentAid.gov using their FSA ID credentials.

Parent Loans for Undergraduate Students (PLUS): Loans made to qualifying parents of dependent undergraduate students that are available through the Direct Loan Program.

Promissory Note: The legal and binding contract signed between the lender and the borrower which states that the borrower will repay the loan as agreed upon in the terms of the contract.

Scholarships: Awards that do not usually have to be paid back. They are given to students who demonstrate or show promise of high achievement in areas such as academics, athletics, music, art, or other disciplines.

Servicer: An organization that acts on behalf of the lender to administer their student loan portfolio and is paid a fee to do so.

State Grant Program: State funding coordinated by the state agency that provides grants to needy state residents who meet the eligibility criteria and are pursuing postsecondary education.

Student Aid Index (SAI): A measure of a student's financial strength calculated under the federal need analysis formula. The SAI is used to determine eligibility for federal student aid programs and may be a positive or negative number.

Third-Party Servicer: An individual or a State, or a private, profit or non-profit organization that enters into contract with an eligible institution (school) to administer, through either manual or automated processing, any aspect of the institution's (school's) participation in any Title IV, HEA program.

Title IV Student Financial Aid: Federal financial aid programs for students attending postsecondary educational schools, authorized under Title IV of the Higher Education Act of 1965, as amended. The programs are administered by the U.S. Department of Education. Title IV programs consist of: Federal Consolidation Loans, Federal Direct Student Loans, Federal Pell Grants, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS)

Undergraduate: A student who has not yet received a bachelor's degree.